

Volume 1

# STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

**2006**

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,  
Primary Election, June 6, 2006  
and General Election, November 7, 2006

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

**2005–06 Regular Session**  
**2005–06 First Extraordinary Session**  
**2005–06 Second Extraordinary Session**



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# EFFECTIVE DATES

## Regular Session

The 2005–06 Regular Session reconvened on January 4, 2006, and adjourned *sine die* on November 30, 2006. Statutes enacted in 2006, other than those taking immediate effect, will become effective January 1, 2007.

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 reconvened in the Assembly on January 5, 2006, and in the Senate on January 4, 2006, and adjourned *sine die* on November 30, 2006. No statutes were enacted at the 2005–06 First Extraordinary Session.

The 2005–06 Second Extraordinary Session convened on June 27, 2006, and adjourned *sine die* on November 30, 2006. No statutes were enacted at the 2005–06 Second Extraordinary Session.



# CONSTITUTIONAL AMENDMENTS

## Adopted Since Publication of Statutes of 2005

**NOTE: Since the publication of the Statutes of 2005, the following changes were adopted at the General Election, November 7, 2006:**

<i>Article</i>	<i>Section</i>	<i>Change</i>	<i>Constitutional amendment number</i>	<i>Year</i>	<i>Resolution chapter number</i>	<i>Proposition number</i>	<i>Subject</i>
XIXB	1	Amendment	SCA 7	2006	49	1A	Transportation Funding Protection.

## PROPOSED CHANGES IN CONSTITUTION

**NOTE: The following proposed changes were defeated at the Primary Election, June 6, 2006, and the General Election, November 7, 2006:**

<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	19	Amendment	Initiative Measure	2006	—	90	Government Acquisition, Regulation of Private Property.
	32	Addition	Initiative Measure	2006	—	85	Waiting Period and Parental Notification Before Termination of Minor's Pregnancy.
IX	4	Addition	Initiative Measure	2006	—	82	Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples.
	6.2	Addition	Initiative Measure	2006	—	88	Education Funding. Real Property Parcel Tax.
XIII A	21.5	Addition	Initiative Measure	2006	—	88	Education Funding. Real Property Parcel Tax.
XIII B	14	Addition	Initiative Measure	2006	—	82	Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples.
	14	Addition	Initiative Measure	2006	—	86	Tax on Cigarettes.
	14	Addition	Initiative Measure	2006	—	87	Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers.



## PROPOSED CHANGES IN CONSTITUTION—Continued

<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>
XIII B (cont.)	14	Addition	Initiative Measure	2006	—	88	Education Funding. Real Property Parcel Tax.
XVI	8.3	Addition	Initiative Measure	2006	—	82	Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples.
	8.3	Addition	Initiative Measure	2006	—	88	Education Funding. Real Property Parcel Tax.
XXXVI	All	Addition	Initiative Measure	2006	—	87	Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers.



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**CONSTITUTION OF THE STATE  
OF CALIFORNIA**

**1879**

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# CONSTITUTION OF THE STATE OF CALIFORNIA\*

AS AMENDED AND IN FORCE NOVEMBER 7, 2006

## 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. 25<sup>5</sup>/<sub>8</sub>. [*Renumbered Section 22 of Article XIII and amended November 8, 1966.*]

SEC. 25<sup>3</sup>/<sub>4</sub>. [*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.*]

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\* 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.*]

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\* 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. 12<sup>3</sup>/<sub>4</sub>. [*Repealed November 5, 1974.*]

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

[*Separate Land and Improvements Assessment*]

SEC. 13. Land and improvements shall be separately assessed. [*New section adopted November 5, 1974.*]

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

[*Tax Situs*]

SEC. 14. All property taxed by local government shall be assessed in the county, city, and district in which it is situated. [*New section adopted November 5, 1974.*]

SEC. 14<sup>5</sup>/<sub>5</sub>. [*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 subvended 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 ad 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<sup>†</sup> 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

<sup>†</sup> 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<sup>†</sup> 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

<sup>†</sup> 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-

vailling 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 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) 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 purposes set forth in subparagraph (D) of paragraph (2) of subdivision (b).

(d) (1) Except as otherwise provided by paragraph (2), 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 all of the following conditions are met:

(A) The Governor issues a proclamation that declares that, due to a severe state fiscal hardship, the suspension of the transfer of revenues required by subdivision (a) is necessary.

(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 required by subdivision (a) and the bill does not contain any other unrelated provision.

(C) No later than the effective date of the statute described in subparagraph (B), a separate statute is enacted that provides for the full repayment to the Transportation Investment Fund of the total amount of revenue that was not transferred to that fund as a result of the suspension, including interest as provided by law. This full repayment shall be made not later than the end of the third fiscal year immediately following the fiscal year to which the suspension applies.

(2) (A) The transfer required by subdivision (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 commencing on or after July 1, 2007, for which the transfer required by subdivision (a) is suspended.

(B) The transfer required by subdivision (a) shall not be suspended during any fiscal year if a full repayment required by a statute enacted in accordance with subparagraph (C) of paragraph (1) has not yet been completed.

(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).

(f) (1) An amount equivalent to the total amount of revenues that were not transferred from the General Fund of the State to the Transportation Investment Fund, as of July 1, 2007, because of a suspension of transfer of revenues pursuant to this section as it read on January 1, 2006, but excluding the amount to be paid to the Transportation Deferred Investment Fund pursuant to Section 63048.65 of the Government Code, shall be transferred from the General Fund to the Transportation Investment Fund no later than June 30, 2016. Until this total amount has been transferred, the amount of transfer payments to be made in each fiscal year shall not be less than one-tenth of the total amount required to be transferred by June 30, 2016. The transferred revenues shall be allocated solely for the purposes set forth in this section as if they had been received in the absence of a suspension of transfer of revenues.

(2) The Legislature may provide by statute for the issuance of bonds by the state or local agencies, as applicable, that are secured by the minimum transfer payments required by paragraph (1). Proceeds from the sale of those bonds shall be allocated solely for the purposes set forth in this section as if they were revenues subject to allocation pursuant to paragraph (2) of subdivision (b). [*As amended November 7, 2006.*]



## 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<sup>†</sup> and 15<sup>†</sup> of Article IX in effect on January 1, 1973, relating to Stanford University and the Huntington Library and Art Gallery, are continued in effect. *[Former Section 6, as renumbered June 8, 1976.]*

*[Oath of Office]*

SEC. 3. Members of the Legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation:

“I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

“And I do further swear (or affirm) that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the

<sup>†</sup> Sections 10 and 15 of Article IX repealed November 5, 1974.



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:

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(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 Consti-

tution, be entitled to retirement benefits and compensation as if the term of office had not been so reduced. [*Former Section 25, as renumbered June 8, 1976.*]

[*Constitutional Officers—Number of Terms*]

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

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

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

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

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

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

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

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

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

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

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

SEC. 17½. [*Repealed June 8, 1976.*]

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

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

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

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

[*Liquor Control*]

SEC. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the State, and subject to the laws of the United States regulating commerce between foreign nations and among the states shall have the exclusive right and power to regulate the impor-

tation into and exportation from the State, of alcoholic beverages. In the exercise of these rights and powers, the Legislature shall not constitute the State or any agency thereof a manufacturer or seller of alcoholic beverages.

*[Licensed Premises—Types of Licenses]*

All alcoholic beverages may be bought, sold, served, consumed and otherwise disposed of in premises which shall be licensed as provided by the Legislature. In providing for the licensing of premises, the Legislature may provide for the issuance of, among other licenses, licenses for the following types of premises where the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

(a) For bona fide public eating places, as defined by the Legislature.

(b) For public premises in which food shall not be sold or served as in a bona fide public eating place, but upon which premises the Legislature may permit the sale or service of food products incidental to the sale and service of alcoholic beverages. No person under the age of 21 years shall be permitted to enter and remain in any such premises without lawful business therein.

(c) For public premises for the sale and service of beers alone.

(d) Under such conditions as the Legislature may impose, for railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for not less than one year.

*[Service or Sale to Minors]*

The sale, furnishing, giving, or causing to be sold, furnished, or giving away of any alcoholic beverage to any person under the age of 21 years is hereby prohibited, and no person shall sell, furnish, give, or cause to be sold, furnished, or given away any alcoholic beverage to any person under the age of 21 years, and no person under the age of 21 years shall purchase any alcoholic beverage.

*[Director of Alcoholic Beverage Control]*

The Director of Alcoholic Beverage Control shall be the head of the Department of Alcoholic Beverage Control, shall be appointed by the Governor subject to confirmation by a majority vote of all of the members elected to the Senate, and shall serve at the pleasure of the Governor. The director may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove the director from office for dereliction of duty or corruption or incompetency. The director may appoint three persons who shall be exempt from civil service, in addition to the person he is authorized to appoint by Section 4 of Article XXIV.

*[Department of Alcoholic Beverage Control—Powers—Duties]*

The Department of Alcoholic Beverage Control shall have the exclusive power, except as herein provided and in accordance with laws enacted by the Legislature, to license the manufacture, importation and sale of alcoholic beverages in this State, and to collect license fees or occupation taxes on account thereof. The department shall have the power, in its discretion, to deny, suspend or revoke any specific alcoholic beverages license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude. It shall be unlawful for any person other than a licensee of said department to manufacture, import or sell alcoholic beverages in this State.

*[Alcoholic Beverage Control Appeals Board]*

The Alcoholic Beverage Control Appeals Board shall consist of three members appointed by the Governor, subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his initial appointment, shall be a resident of a different county from the one in which either of the other members resides. The members of the board may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty or corruption or incompetency.

*[Appeals—Reviews—Reversals]*

When any person aggrieved thereby appeals from a decision of the department ordering any penalty assessment, issuing, denying, transferring, suspending or revoking any license for the manufacture, importation, or sale of alcoholic beverages, the board shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the board shall not receive evidence in addition to that considered by the department. Review by the board of a decision of the department shall be limited to the questions whether the department has proceeded without or in excess of its jurisdiction, whether the department has proceeded in the manner required by law, whether the decision is supported by the findings, and whether the findings are supported by substantial evidence in the light of the whole record. In appeals where the board finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department it may enter an order remanding the matter to the department for reconsideration in the light of such evidence. In all other appeals the board shall enter an order either affirming or reversing the decision of the department. When the order reverses the decision of the department, the

board may direct the reconsideration of the matter in the light of its order and may direct the department to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the department. Orders of the board shall be subject to judicial review upon petition of the director or any party aggrieved by such order.

*[Removal of Director or Board Members]*

A concurrent resolution for the removal of either the director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or 10 Members of the Assembly, join as authors.

*[Licenses—Regulation—Fees]*

Until the Legislature shall otherwise provide, the privilege of keeping, buying, selling, serving, and otherwise disposing of alcoholic beverages in bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and in bona fide clubs after such clubs have been lawfully operated for not less than one year, and the privilege of keeping, buying, selling, serving, and otherwise disposing of beers on any premises open to the general public shall be licensed and regulated under the applicable provisions of the Alcoholic Beverage Control Act, insofar as the same are not inconsistent with the provisions hereof, and excepting that the license fee to be charged bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and any bona fide clubs after such clubs have been lawfully operated for not less than one year, for the privilege of keeping, buying, selling, or otherwise disposing of alcoholic beverages, shall be the amounts prescribed as of the operative date hereof, subject to the power of the Legislature to change such fees.

The State Board of Equalization shall assess and collect such excise taxes as are or may be imposed by the Legislature on account of the manufacture, importation and sale of alcoholic beverages in this State.

The Legislature may authorize, subject to reasonable restrictions, the sale in retail stores of alcoholic beverages contained in the original packages, where such alcoholic beverages are not to be consumed on the premises where sold; and may provide for the issuance of all types of licenses necessary to carry on the activities referred to in the first paragraph of this section, including, but not limited to, licenses necessary for the manufacture, production, processing, importation, exportation, transportation, wholesaling, distribution, and sale of any and all kinds of alcoholic beverages.

The Legislature shall provide for apportioning the amounts collected for license fees or occupation taxes under the provisions hereof between

the State and the cities, counties and cities and counties of the State, in such manner as the Legislature may deem proper.

All constitutional provisions and laws inconsistent with the provisions hereof are hereby repealed.

The provisions of this section shall be self-executing, but nothing herein shall prohibit the Legislature from enacting laws implementing and not inconsistent with such provisions.

This amendment shall become operative on January 1, 1957. [*As amended November 6, 1956. Operative January 1, 1957.*]

[*State Colleges—Speaker, Member of Governing Body*]

SEC. 23. Notwithstanding any other provision of this Constitution, the Speaker of the Assembly shall be an ex officio member, having equal rights and duties with the nonlegislative members, of any state agency created by the Legislature in the field of public higher education which is charged with the management, administration, and control of the State College System of California. [*New section adopted November 3, 1970.*]

SEC. 24. [*Renumbered Section 5 June 8, 1976.*]

SEC. 25. [*Renumbered Section 6 June 8, 1976.*]

## ARTICLE XXI\*

### REAPPORTIONMENT OF SENATE, ASSEMBLY, CONGRESSIONAL, AND BOARD OF EQUALIZATION DISTRICTS

[*Reapportionment Following National Census*]

SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in conformance with the following standards:

[*Standards*]

(a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single-member district.

(b) The population of all districts of a particular type shall be reasonably equal.

(c) Every district shall be contiguous.

(d) Districts of each type shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

\* New Article XXI adopted June 3, 1980.

(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.*]

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.*]

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

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 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.

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



[“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.*]

[*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.

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

(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

**Primary Election, June 6, 2006, and  
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**MEASURES SUBMITTED TO  
VOTE OF ELECTORS  
Primary Election, June 6, 2006**

**MEASURES ADOPTED**

None.

**MEASURES DEFEATED**

**INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE**

*Number  
on ballot*

82. **Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples.**

**BOND ACT SUBMITTED BY LEGISLATURE**

81. **California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006.** (Statutes 2004, Chapter 698, SB 1161)

**MEASURES SUBMITTED TO  
VOTE OF ELECTORS  
General Election, November 7, 2006**

**MEASURES ADOPTED**

**CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE**

*Number  
on ballot*

- 1A. **Transportation Funding Protection.** (Statutes 2006, Resolution Chapter 49, SCA 7)

**INITIATIVE STATUTES**

83. **Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring.**
84. **Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds.**

**BOND ACTS SUBMITTED BY LEGISLATURE**

- 1B. **Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.** (Statutes 2006, Chapter 25, SB 1266)
- 1C. **Housing and Emergency Shelter Trust Fund Act of 2006.** (Statutes 2006, Chapter 27, SB 1689)
- 1D. **Kindergarten-University Public Education Facilities Bond Act of 2006.** (Statutes 2006, Chapter 35, AB 127)
- 1E. **Disaster Preparedness and Flood Prevention Bond Act of 2006.** (Statutes 2006, Chapter 33, AB 140)

**MEASURES DEFEATED**

**INITIATIVE CONSTITUTIONAL AMENDMENTS**

*Number  
on ballot*

85. **Waiting Period and Parental Notification Before Termination of Minor's Pregnancy.**
90. **Government Acquisition, Regulation of Private Property.**

**INITIATIVE CONSTITUTIONAL AMENDMENTS AND STATUTES**

86. **Tax on Cigarettes.**
87. **Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers.**
88. **Education Funding. Real Property Parcel Tax.**

**INITIATIVE STATUTE**

89. **Political Campaigns. Public Financing. Corporate Tax Increase. Campaign Contribution and Expenditure Limits.**





# State of California



## 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 the voters of the State within calendar year 2006.

No proposed laws were **approved** by voters at the Primary Election held on Tuesday, June 6, 2006.

The following proposed laws were **defeated** by voters at the Primary Election held on Tuesday, June 6, 2006:

California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006. (Senate Bill 1161, Chapter 698, Statutes of 2004)

Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples. Initiative Constitutional Amendment and Statute.

The following proposed laws were **approved** by voters at the General Election held on Tuesday, November 7, 2006:

Transportation Funding Protection. Legislative Constitutional Amendment. (Senate Constitutional Amendment 7, Resolution Chapter 49, Statutes of 2006)

Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. (Senate Bill 1266, Chapter 25, Statutes of 2006)

Housing and Emergency Shelter Trust Fund Act of 2006. (Senate Bill 1689, Chapter 27, Statutes of 2006)

Kindergarten-University Public Education Facilities Bond Act of 2006. (Assembly Bill 127, Chapter 35, Statutes of 2006)

Disaster Preparedness and Flood Prevention Bond Act of 2006. (Assembly Bill 140, Chapter 33, Statutes of 2006)

Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring. Initiative Statute.

Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds. Initiative Statute.

The following proposed laws were **defeated** by voters at the General Election held on Tuesday, November 7, 2006:

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

Tax on Cigarettes. Initiative Constitutional Amendment and Statute.

Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers. Initiative Constitutional Amendment and Statute.

Education Funding. Real Property Parcel Tax. Initiative Constitutional Amendment and Statute.

Political Campaigns. Public Financing. Corporate Tax Increase. Campaign Contribution and Expenditure Limits. Initiative Statute.

Government Acquisition, Regulation of Private Property. Initiative Constitutional Amendment.



IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of California, at Sacramento, this 16th day of December, 2006.

A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON  
Secretary of State

**PROPOSITIONS SUBMITTED TO  
VOTE OF ELECTORS**

**Primary Election, June 6, 2006**

**MEASURES ADOPTED**

None.

**MEASURES DEFEATED**

**INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE**

*Number  
on ballot*

82. **Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples.**

[Submitted by the initiative and rejected by electors June 6, 2006.]

**PROPOSED LAW**

**Section 1. Title.**

This measure shall be known and may be cited as the "Preschool for All Act."

**Section 2. Findings and Declarations.**

The people of California find and declare the following:

1. A child's participation in a quality preschool education program plays a critical role in his or her educational development and success in school. Research studies show that children who participate in quality preschool programs are the most likely to become proficient readers by third grade, graduate from high school, and go on to college. Children who do not attend quality preschool are more likely to fall behind their peers in the early grades and are less likely to do well throughout their school careers.

2. Research shows that quality preschool education strengthens the K-12 public schools by helping children become better readers by third grade; reducing the need for special education and grade retention; and increasing high school graduation rates and college attendance. Lack of access for parents to quality, voluntary preschool education opportunities for their children is having a damaging impact on the state's K-12 public schools.

3. There is a severe shortage of quality, affordable preschool education opportunities for California's children, and California lags behind the nation in preschool enrollment. Three out of four statewide, publicly funded preschool programs have children waiting in line to get in. Middle class families often earn too much for public programs but too little to pay for private preschool. Some do not qualify for publicly funded programs, but cannot afford to pay the cost of private preschool, which often costs more than annual tuition to the state university system.

4. Recent studies have concluded that smart investments in quality preschool for all save taxpayers \$2.62 for every dollar invested by improving the K–12 public schools, reducing crime and welfare dependence, and substantially increasing the lifetime earnings of children who get a strong start in school.

5. Public safety officials support preschool for all because studies show that quality preschool education early in a child’s life reduces the likelihood of dropping out of school, engaging in criminal activity later in a child’s life, or going to jail later in a child’s life.

6. Scientific knowledge about how children’s brains develop confirms the importance of participation in quality preschool programs. Ninety percent of brain growth occurs before age five, before most children enroll in kindergarten.

7. Quality preschool education provides a crucial opportunity to engage parents in the education of their children, and to create a habit of parental involvement that will last throughout a child’s academic career. Quality preschools give parents the tools and support they need to get more involved in their child’s early education.

8. Research shows that early education and intervention for children with special needs in preschool reduces the need for costly special education services in later years.

9. Quality preschool education helps English-language learners develop their English language skills and meet school readiness goals.

10. Research shows that highly qualified preschool teachers improve the school-readiness of preschool children. All California children deserve quality preschool programs taught by well-trained teachers using age-appropriate curriculum. Currently, there is a severe shortage of teachers prepared to provide high-quality instruction to California’s diverse preschool population. Raising professional qualifications for preschool teachers and instructional aides requires that teachers and instructional aides be provided the time and support necessary to meet these higher standards and that California’s postsecondary institutions put in place the early learning programs needed to prepare the next generation of preschool teachers and instructional aides.

11. Taxpayers deserve a preschool-for-all program that is educationally and fiscally accountable to the public, with funds dedicated solely to providing quality preschool opportunities, and that includes a cap on administrative spending and criminal penalties for misuse of funds.

**Section 3. Purpose and Intent.**

In order to take full advantage of the opportunity presented by children’s early brain development; to ensure that all children have the skills they will need to master reading and to succeed in school and in life; to improve the performance of our K–12 public schools by providing all children the opportunity for a strong start in school; to reap proven economic returns on a strategic investment in quality preschool programs; to prepare our children for a new century and a new economy; and to address what is now a preschool education crisis in California, in which middle class families often cannot afford to pay for quality preschool education that would put their children on the path to success, the people of California do hereby enact the Preschool for All Act. The Act is intended to:

1. Provide a system of voluntary preschool for all children one year before kindergarten that is high quality, available to all regardless of ability to pay, and that is managed in a non-bureaucratic and fiscally responsible way;

2. Ensure that all eligible children have equal access to a quality preschool education that meets age and developmentally appropriate statewide preschool standards and guidelines;

3. Ensure that children have access to a variety of preschool programs, including programs offered by school districts, colleges, universities and community colleges, classroom-based charter schools that offer at least kindergarten through third grade, and other licensed preschool providers, including centers and family child care programs, provided that the programs comply with this Act;

4. Create an accountable program, built upon the existing preschool system, that is administered by the state Superintendent of Public Instruction and county superintendents of schools, or alternative local administrators, to meet local needs while satisfying all the requirements of this Act;

5. Raise professional qualifications for preschool teachers to increase the supply of qualified teachers, and provide the time and support necessary to meet these higher standards;

6. Require that teachers and instructional aides who participate in the program are well trained and fairly compensated;

7. Ensure that there will be adequate facilities and providers to serve enrolled children and to build capacity for eligible children;

8. Provide a dependable funding stream that will be adequate to provide a quality preschool education experience for California children in the year before they enter kindergarten;

9. Fully fund the Preschool for All program so that General Fund revenues are not required to sustain this program, and prohibit any infringement upon state or local education funds; and

10. Require regular, independent, fiscal and program audits and evaluations to ensure that the programs meet the goals of this Act, that the funds reserved to pay for preschool for all are strictly controlled and accounted for, that dollars spent for administration are strictly limited, and that the public is kept adequately informed about program quality and fiscal accountability.

**Section 4. Section 4 is added to Article IX of the Constitution of the State of California, to read:**

*SEC. 4. (a) The State shall provide a program of voluntary preschool education for all children one year prior to kindergarten pursuant to the Preschool for All Act. A preschool-age child, as provided in the Preschool for All Act, shall have the same equal protection rights enjoyed by elementary school children under Section 7 of Article I and under the United States Constitution, and any equal protection rights as may in the future apply to elementary school children shall apply to preschool-age children as well, except as expressly provided in the Preschool for All Act.*

*(b) Notwithstanding any other provision of this Constitution, county superintendents of schools, alternative local administrators, and the Superintendent of Public Instruction shall have the authority, as set forth in the Preschool for All Act, to administer Preschool for All programs, including the allocation of funds as prescribed by the Preschool for All Act, and to select and approve preschool program providers who meet the eligibility requirements prescribed by the Preschool for All Act.*

*(c) For the purposes of the Preschool for All Act, Preschool for All program providers shall be subject to the control and supervision of the Superintendent of Public Instruction and the county superintendent of schools in the county in which the program is located, as provided in the Preschool for All Act.*

*(d) (1) All revenues produced by the tax imposed by the Preschool for All Act shall be placed in the Preschool for All Fund, which is hereby created in the State Treasury to be held in trust for the purpose of providing preschool*

*pursuant to the Preschool for All Act and which is continuously appropriated, without regard to fiscal year, for that purpose alone.*

*(2) The moneys in the Preschool for All Fund and any other fund created pursuant to the Preschool for All Act may not be used for any purpose or program other than the purposes or programs authorized by the Preschool for All Act, and may not be loaned to the state General Fund, or to any other fund of the State, or to any fund of a county, or any other entity, or borrowed by the Legislature, or any other state or local agency, for any purpose other than the purposes authorized by the Preschool for All Act.*

*(e) Notwithstanding any other provision of this Constitution, revenues generated by the tax imposed by the Preschool for All Act shall not be deemed to be “revenues” or “taxes” for purposes of computing any state expenditure or appropriation limit that is enacted after January 1, 2005, nor shall their expenditure or appropriation be subject to any reduction or limitation imposed pursuant to any provision enacted after that date.*

**Section 5. Section 14 is added to Article XIII B of the California Constitution, to read:**

*SEC. 14. (a) For purposes of this article, “appropriations subject to limitation” of each entity of government shall not include appropriations of revenue from the Preschool for All Fund created by the Preschool for All Act.*

*(b) For purposes of this article, “proceeds of taxes” shall not include the revenues derived from the taxes imposed by the Preschool for All Act.*

*(c) 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 Preschool for All Fund.*

**Section 6. Section 8.3 is added to Article XVI of the California Constitution, to read:**

*SEC. 8.3. (a) Neither funds appropriated pursuant to subdivision (d) of Section 4 of Article IX nor funds appropriated from any other source for the purpose of the Preschool for All Act shall be deemed to be part of “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as that phrase is used in paragraphs (2) and (3) of subdivision (b) of Section 8.*

*(b) Revenues derived from taxes imposed pursuant to the Preschool for All Act shall not be deemed to be “General Fund revenues which may be appropriated pursuant to Article XIII B” as that phrase is used in paragraph (1) of subdivision (b) of Section 8 nor shall they be considered in the determination of “per capita General Fund Revenues” as that phrase is used in Section 8.*

*(c) Revenues derived from taxes imposed pursuant to the Preschool for All Act shall not be deemed to be General Fund revenues for the purposes of any other provision that sets a minimum level of funding for educational purposes and that is enacted after January 1, 2005.*

**Section 7. Chapter 1.5 (commencing with Section 14110) is added to Part 9 of Division 1 of Title 1 of the Education Code, to read:**

*CHAPTER 1.5. PRESCHOOL FOR ALL*

*Article 1. General Provisions*

*14110. (a) This chapter implements the requirement of preschool for all established by Section 4 of Article IX of the California Constitution. As used throughout this chapter, “this Act” refers to the Preschool for All Act.*

*(b) Four years after the effective date of this Act, every preschool-age child, regardless of income, shall have access for one year to a Preschool for All*

*program that meets the requirements of this Act. A “preschool-age child” for purposes of this Act shall mean a child born on or after the effective date of this Act who is one year prior to the date that child enters kindergarten.*

*(c) A Preschool for All program shall be free, except as provided in subdivision (d) of Section 14132, and voluntary for preschool-age children and shall include, at a minimum, all of the following:*

*(1) A three-hour per day instructional program offered for 180 days per year;*  
*(2) A curriculum that is age and developmentally appropriate, based on statewide preschool learning standards, guidelines, and appropriate instructional practices adopted by the Superintendent of Public Instruction, and aligned with statewide academic standards for elementary education; and*

*(3) Classes of no more than 20 children with at least one teacher and at least one instructional aide for programs whose teachers and instructional aides have met the educational requirements of subdivisions (a) and (b) of Section 14111. Until they comply with the educational requirements of subdivisions (a) and (b) of Section 14111, programs shall provide classes of no more than 24 children with at least one teacher and classes with no more than a one-to-eight adult-child ratio.*

#### *Article 2. Instructional Staff*

*14111. (a) By July 1, 2014, all Preschool for All teachers in programs that are selected and approved to become Preschool for All providers pursuant to Sections 14118 and 14135 shall have a baccalaureate degree and shall have completed at least 24 units in early learning, and all instructional aides in such programs shall have completed at least 48 units of college-level work, including 24 units in early learning.*

*(b) By July 1, 2016, all Preschool for All teachers in programs that are selected and approved to become Preschool for All providers pursuant to Sections 14118 and 14135 shall have a baccalaureate degree and an early learning credential, as provided in Section 14112, or a multiple subject credential in the case of a person who received the credential prior to July 1, 2010, and who has 24 units in early learning.*

*(c) Prior to July 1, 2014, teachers in Preschool for All programs shall, at a minimum, meet the educational requirements of Title 5, Division 8, Chapter 1, Article 5, Section 80112 of the California Code of Regulations, in effect as of January 1, 2005, and instructional aides in Preschool for All programs shall, at minimum, meet the requirements of Title 5 of the California Code of Regulations, in effect as of January 1, 2005.*

*14112. By July 1, 2008, the Superintendent of Public Instruction, in collaboration with California public colleges and universities, including community colleges, shall develop an early learning credential consistent with the requirements of subdivisions (a) and (b) of Section 14111 and shall submit the credential to the Commission on Teacher Credentialing for approval and implementation. The Commission on Teacher Credentialing may also recognize other early learning credentials that are consistent with the requirements of subdivisions (a) and (b) of Section 14111.*

*14113. (a) (1) By January 1, 2008, the Superintendent of Public Instruction, in collaboration with California public college and university systems, including the community college system, and with private colleges and universities, shall establish a workforce development plan based on the county superintendents of schools’ assessment of the need for teachers and instructional aides for Preschool for All programs.*



*(2) Pursuant to this plan, California public college and university systems, including the community college system, may apply to the Superintendent of Public Instruction for funding from the Preschool for All Fund to develop, in consultation with other systems and in a manner that promotes articulation, college-level courses and degree programs in early learning, and to provide these courses and degree programs. Use of Preschool for All funds for these programs shall be limited to 10 years and shall not exceed a total cost of five hundred million dollars (\$500,000,000) over the 10-year period. California public college and university systems, including the community college system, may redirect funding within their budgets to provide these courses and degree programs, provided, however, that the state shall not be obligated to provide additional funding for these purposes during the 10-year period. In order to avoid any need for the appropriation of General Fund revenues for this purpose after the 10-year period, the Superintendent of Public Instruction may allocate additional funds from the Preschool for All Fund or the Preschool for All Reserve Fund after the 10-year period only if California public college and university systems, including the community college system, incur costs above the costs they would ordinarily incur to meet the regular and ongoing needs of California's students as a direct result of the Preschool for All Act.*

*(b) By July 1, 2007, the California Student Aid Commission, in consultation with the Superintendent of Public Instruction, shall establish a program for financial aid and other support for full-time or part-time students to ensure that a qualified teaching and instructional aide staff becomes available in accordance with the timetable established by this Act. Use of Preschool for All funds for this program shall be limited to 10 years and shall not exceed a total cost of two hundred million dollars (\$200,000,000) over the 10-year period. The financial aid and other support provided pursuant to this program shall be all of the following:*

*(1) Available, as a matter of preference, to students with the greatest financial need;*

*(2) Limited to students who commit to work in Preschool for All programs for a period of time commensurate with the total amount of state assistance they have received; and*

*(3) Available, as a matter of preference, to students who commit to work in geographical areas with the greatest need for Preschool for All teachers and instructional aides, and to students who have a demonstrated history of working in early learning programs.*

*14114. (a) Teachers and instructional aides in Preschool for All programs shall be paid increasing levels of compensation as they approach the standards established by Section 14111 and, after meeting those standards, they shall be compensated as set forth in each county's plan pursuant to paragraph (13) of subdivision (b) of Section 14120.*

*(b) Preschool for All teachers who are employed to teach two Preschool for All sessions per day and Preschool for All instructional aides who are employed to work two Preschool for All sessions per day shall be considered full-time Preschool for All program employees for the purposes of the compensation, including pay and benefits, that they receive from Preschool for All funds.*

*14115. (a) In order to provide representation and collective bargaining rights for employees of Preschool for All provider employers, including public schools, charter schools, and other licensed preschool providers, and to establish uniform rights for employees and obligations of Preschool for All*



*provider employers, it is the intent of this Act to establish uniform requirements and standards based on state and county funding, controls, accountability, and sanctions for all Preschool for All provider employers. Such state and county involvement and control includes but is not limited to the following: funding, governance, accountability, monitoring, reporting, program evaluation, teacher credentialing, teacher compensation, coordination with public local elementary schools and districts, sanctions, and removal of Preschool for All program providers.*

*(b) For the purposes of establishing union representation procedures and collective bargaining for employees of Preschool for All program providers, the Preschool for All program provider employer as a condition of receiving funding and pursuant to the terms of the agreement with the county superintendent of schools, the Superintendent of Public Instruction, or alternative local administrator as to conditions, controls and supervision of the Preschool for All Program, shall, in accordance with Section 14118, be considered a Preschool for All program employer as defined in subdivision (n) of Section 3540.1 of the Government Code, and Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code shall apply to such employer.*

*(c) With respect to Preschool for All program employers that are not school districts or county offices of education, the scope of representation, as defined in Section 3543.2 of the Government Code, shall also include the discipline and dismissal of employees.*

### Article 3. Governance

*14116. (a) The Superintendent of Public Instruction shall administer the Preschool for All Act by reviewing and approving local plans and approving the distribution of funding to county superintendents of schools. The Superintendent of Public Instruction shall consult with the county superintendents of schools prior to determining how to allocate administrative expenditures within the administrative cap established by Section 14130.*

*(b) In addition to the administrative responsibilities set forth in subdivision (a) of this section, the Superintendent of Public Instruction shall be responsible for targeted outreach to local communities, if he or she determines that such outreach, in addition to the outreach conducted pursuant to a county plan, is necessary to inform parents of preschool-age children within the county, especially parents in underserved communities, about the importance and availability of preschool, and about the process for enrolling their children.*

*(c) The Superintendent of Public Instruction shall be responsible for the following:*

- (1) Evaluating the statewide need for Preschool for All facilities;*
- (2) Reviewing and evaluating the counties' facility plans and reserves;*
- (3) Ensuring that the counties' facility reserve accounts together with the state facilities reserve fund, established by Section 14134, are sufficient to meet statewide anticipated facilities needs and ensuring that the state facilities reserve fund is allocated in a manner that ensures that the counties' facility plans are implemented, provided that total statewide facilities costs for new construction, purchase, and renovation from the Preschool for All Fund shall not exceed two billion dollars (\$2,000,000,000).*

*14117. (a) Within six months of the effective date of this Act, the Superintendent of Public Instruction shall adopt initial regulations to:*

- (1) Provide statewide preschool learning standards, guidelines, and instructional practices that are age and developmentally appropriate;*

(2) Establish quality, access and fiscal accountability standards pursuant to this chapter;

(3) Govern the quality of services offered by preschool providers, consistent with, at a minimum, the provisions of this chapter and with the applicable provisions of Articles 6 (commencing with Section 8230), 7 (commencing with Section 8235), 8 (commencing with Section 8240), and 9 (commencing with Section 8250) of Chapter 2 of Part 6;

(4) Encourage and permit existing child care funds and other non-Preschool for All public funding streams to be used in coordination with Preschool for All funds to enhance the quality of, and to support, full-day programs for families who need it, provided that Preschool for All funds shall only be used for the Preschool for All portion of the day and not for full-day care;

(5) Establish a uniform statewide per-child allocation rate pursuant to Section 14134;

(6) Establish guidelines for submission of county plans pursuant to Article 4 (commencing with Section 14120), including the elements and format of the plan, and the criteria that the Superintendent of Public Instruction will apply to review and approve county plans submitted pursuant to Section 14121;

(7) Establish a fair process and criteria pursuant to which county superintendents of schools shall select Preschool for All program providers under Section 14118;

(8) Establish a process, including fiscal audits and programmatic evaluations, for the Superintendent of Public Instruction and county superintendents of schools to monitor quality, access, and fiscal accountability by the county's program providers, and to impose timely and effective sanctions, up to and including removing and replacing program providers pursuant to this chapter, if the provider fails to guarantee access, quality, or fiscal accountability or fails to comply with the requirements of this Act, state standards, or any provision of law;

(9) Govern the county superintendents of schools' collection and monitoring of uniform longitudinal data on Preschool for All enrollment, components and quality, costs and results;

(10) Limit the expulsion of children from Preschool for All programs; and

(11) Define the term "educational component equivalent to the requirements of the Preschool for All Act," as used in subdivision (b) of Section 14135.

(b) The Superintendent of Public Instruction shall promulgate such additional or amended regulations as necessary for full implementation of this Act.

14118. (a)(1) Each county superintendent of schools shall be responsible for planning, implementing, and monitoring a program that is designed to guarantee each eligible child who resides in that county a place in a quality Preschool for All program.

(2) A "quality Preschool for All program" shall mean a program that meets the requirements set forth in subdivision (e).

(b) Each county superintendent of schools shall administer Preschool for All programs that meet the requirements of this chapter. In addition, upon certification of the county plan by the Superintendent of Public Instruction pursuant to Section 14121 and consistent with the county's plan, county superintendents of schools may operate Preschool for All programs and shall select and approve preschool program providers to provide preschool in the county pursuant to this chapter.

(c) Preschool for All program providers shall be selected from among any or all qualified program providers, including school districts, colleges, universities

and community colleges, classroom-based charter schools that offer at least kindergarten through third grade, and other licensed preschool providers, including centers and family child care programs, provided that the preschool program provider complies with subdivision (e).

(d) County superintendents of schools shall ensure priority to programs with teachers and instructional aides with the highest qualifications and with consideration of the local priorities as defined in each county's plan, including programs that:

(1) During the first four years after the effective date of this Act, serve children who reside within the attendance boundary of elementary schools whose most recent California Academic Performance Index statewide rankings were in deciles one through three, inclusive;

(2) Offer a curriculum that is based on age and developmentally- appropriate statewide preschool learning standards, guidelines, and instructional practices and that is coordinated to ensure continuity and articulation with kindergarten through third grade; and

(3) Offer quality professional development opportunities.

(e) All Preschool for All program providers must:

(1) Be licensed by the State Department of Social Services and meet and comply with the requirements of this Act and Preschool for All regulations;

(2) Be nonsectarian in their Preschool for All programs, admission policies, employment practices, and all other Preschool for All operations;

(3) Not discriminate against any child or his or her parent or guardian on the basis of ethnicity, national origin, gender, disability, or religion, or any other ground prohibited under federal or state constitutional or statutory law with respect to public elementary or secondary education;

(4) Not charge tuition for the Preschool for All portion of the day, except as provided in subdivision (d) of Section 14132;

(5) Admit all eligible students who wish to attend to the extent that space is available; and

(6) Comply with all of the requirements set forth in Section 14115.

14119. (a)(1) Notwithstanding Section 14118, in any county in which at least two hundred million dollars (\$200,000,000) of public funds, in total, has been budgeted or committed on or before the effective date of this Act to fund a countywide program of voluntary preschool for children one year prior to kindergarten or in any county in which the voters have enacted a ballot measure on or before the effective date of this Act to fund a countywide program of voluntary preschool for children one year prior to kindergarten, the entity designated to administer the preschool program in that county shall be authorized to submit the plan for that county and shall, for as long as the entity continues to administer the Preschool for All program in that county, be entitled to receive funds from the Preschool for All Fund, in lieu of the county superintendent of schools, and to provide services to the children in that county, provided that the plan complies with all of the requirements of this Act and is approved by the Superintendent of Public Instruction pursuant to Section 14121 and that the entity complies with all of the following:

(A) The Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code);

(B) The California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code); and

(C) *The Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).*

(2) *An entity that is authorized to administer a county Preschool for All program pursuant to this section shall exercise all of the authority and perform all of the responsibilities assigned to a county superintendent of schools pursuant to this Act, subject to the authority of the Superintendent of Public Instruction under this Act.*

(3) *In order to avoid duplication of effort, the entity may coordinate its administration of the county program with the county superintendent of schools.*

(4) *In the event that the entity elects not to submit the plan on behalf of the county, the county superintendent of schools shall submit the county's plan and shall administer the county's Preschool for All program.*

(b) *An entity that is authorized to administer a county Preschool for All program pursuant to this section or pursuant to Section 14123 shall be known as an "alternative local administrator." When the term "county superintendent of schools" is used in this Act, the term includes an alternative local administrator.*

#### Article 4. Planning

14120. (a) (1) *By July 1, 2007, each county superintendent of schools shall prepare and submit a five-year community assessment and plan to the Superintendent of Public Instruction for review and approval pursuant to Section 14121.*

(2) *On an annual basis, each county superintendent of schools shall prepare and submit a report on the county's progress pursuant to subdivision (b) of Section 14125 to the Superintendent of Public Instruction for review and approval pursuant to Section 14121.*

(3) *Every five years, each county superintendent of schools shall prepare and submit a new plan, provided, however, that the Superintendent of Public Instruction may direct the counties to stagger their submission of new plans.*

(b) *The five-year community assessment and plan shall be designed to:*

(1) *Provide Preschool for All programs that have age and developmentally appropriate goals for all children, that comply with all of the requirements of this Act, and that ensure that all children are ready to enter kindergarten;*

(2) *Guarantee quality, access, and fiscal accountability, pursuant to this chapter, of Preschool for All programs administered by the county superintendent of schools;*

(3) *Guarantee that, by September of 2010, all children within the county will have equal access to quality preschool programs;*

(4) *Guarantee that, by September of 2010, each eligible child shall have a specific space in a Preschool for All program while at the same time permitting parental choice among other Preschool for All programs to the maximum extent reasonable;*

(5) *Ensure that each eligible child has access to a program within, at most, the same distance of his or her home as the maximum distance between the home of a kindergarten child in the elementary school district in which the eligible child lives and the nearest public kindergarten;*

(6) *Ensure appropriate outreach to all communities in the county to inform parents of preschool-age children, especially parents in underserved communities, about the importance and availability of preschool, and about the process for enrolling their children;*

(7) *Recognize the central role parents must play in their children's education and encourage parental involvement by providing multiple roles for parents and*

by helping parents understand how they can assist in the education of their children from preschool to grade 12;

(8) Ensure that Preschool for All programs are coordinated and combined with existing child care programs and other non-Preschool for All funded programs to maximize the extent to which the needs of families of preschool-age children, including the need for full-day child care consistent with the hours that adult family members work, are met, provided that Preschool for All funds shall only be used for the Preschool for All portion of the day and not for full-day care;

(9) Ensure that children with exceptional needs are identified and that their parents are provided with an opportunity for a developmental assessment of, and associated services for, their child, provided, however, that Preschool for All funds shall not be used to supplant state or federal funding for children with exceptional needs;

(10) Include a five-year estimate and projection of the preschool-age population down to the smallest demographic unit for which data is available and that projects over five years the percentage of children the county expects to serve;

(11) (A) Ensure that, during the first 10 years after the effective date of this Act, the county develops and implements a plan to construct, purchase or renovate facilities to serve enrolled children and to build capacity for eligible children, and that, as part of that plan, the county sets aside in a reserve account funds to facilitate implementation of that plan, subject to the following:

(i) Only public entities may use funds from the Preschool for All Fund for the purchase, construction, or renovation of facilities, except as permitted in clause (ii). Title to any facilities constructed, purchased or renovated with such funds shall remain in the public sector to the same extent as required for public school facilities, and the facilities shall be dedicated to Preschool for All program use for as long as there is a need.

(ii) Preschool for All program providers, including providers that are not public entities, may use Preschool for All funds to engage in modest renovations of existing facilities, especially to ensure access to children who reside within the attendance boundary of elementary schools whose most recent California Academic Performance Index statewide rankings were in deciles one through three, inclusive, subject to the county superintendent of schools granting an application for funding for that purpose.

(B) The determination of the county superintendent of schools regarding the amount of funds required for the construction, purchase, and renovation of facilities shall be based on all of the following:

(i) An inventory of potentially available school space and licensed preschool or child care facilities, or both, within the county.

(ii) An analysis of the most cost-efficient manner of providing facilities, including use of existing appropriate public facilities wherever possible.

(iii) A five-year estimate and projection of the preschool-age population, that uses the smallest demographic unit for which data is available.

(C) Preschool for All program providers, including providers who are not public entities, may lease facilities using Preschool for All funds that they receive pursuant to their program provider agreement with the county.

(12) Ensure that, during the first four years after the effective date of this Act, and after setting aside funds in a facilities reserve account, priority in enrollment shall be given to children who reside within the attendance boundary



*of elementary schools whose most recent California Academic Performance Index statewide rankings were in deciles one through three, inclusive, and that funding priority shall be given to the highest quality programs that serve those children;*

*(13) Meet the need for qualified preschool teachers and instructional aides who are trained to meet the developmentally appropriate goals of the children they serve and who are compensated similarly to teachers and instructional aides in the K–12 public school system in that county for training and experience they gain after they have met the standards set by subdivisions (a) and (b) of Section 14111;*

*(14) Ensure, based on research, that English-language learners meet school readiness goals, including making progress towards learning the English language, by, among other things, providing qualified teachers and instructional aides to accomplish this goal;*

*(15) Coordinate with existing child care programs and services for children age four and younger in the county;*

*(16) Coordinate with local elementary schools and the school districts in which they are situated;*

*(17) Collect and monitor uniform longitudinal data on Preschool for All enrollment, components and quality, and costs and results across the county, including data consistent with statewide evaluation;*

*(18) Include a schedule for the distribution of the county's Preschool for All funds to Preschool for All program providers in the county based on a tiered payment system that provides an incentive to providers who make progress toward meeting the statewide quality standards and that takes into account other factors relevant to quality and access;*

*(19) Guarantee that the Preschool for All programs administered by the county superintendent of schools will comply with the requirements of this chapter, regulations adopted pursuant to this chapter, and other laws; and*

*(20) Include a detailed budget that addresses the county's projected costs, including costs for classroom support, program planning and community outreach, workforce recruitment and training, monitoring, the purchase of equipment, and the construction, renovation, purchase, or lease of facilities.*

*(c) (1) Each county superintendent of schools shall establish a local Advisory Committee to ensure that parents, preschool administrators, teachers and other staff, other early learning professionals, business leaders and other preschool advocates have opportunities to advise the assessment, planning and implementation process. The county superintendent shall also consult with local school districts.*

*(2) (A) Prior to submitting its plan to the Superintendent of Public Instruction pursuant to subdivision (a), each county superintendent of schools shall conduct at least one public hearing to obtain comments from the public.*

*(B) Prior to submitting its annual report to the Superintendent of Public Instruction pursuant to subdivision (a), each county superintendent of schools shall conduct at least one public hearing to obtain comments from the public.*

*14121. The Superintendent of Public Instruction shall review the plan and annual report required by Section 14120 and if the plan and report meet the requirements of this Act shall certify the plan's compliance to the Controller. For any fiscal year, the Controller shall not distribute funds from the Preschool for All Fund pursuant to Section 14134 to any county superintendent of schools unless and until the Superintendent of Public Instruction has certified the county plan's compliance for that fiscal year.*

14122. (a) *If a county is unable to timely comply with subdivision (b) of Section 14110 because the county, as a result of circumstances beyond its control, does not have sufficient facilities, the county superintendent of schools may apply to the Superintendent of Public Instruction for a one-year extension. The application, which shall be made available to the public and posted on the county superintendent of schools' Internet web site, shall identify the steps the county superintendent of schools has taken to comply with subdivision (b) of Section 14110 and the circumstances that caused the need for the extension and shall explain why those circumstances are beyond the county's control. Upon receipt of an application, the Superintendent of Public Instruction shall conduct a public meeting in the county to obtain public comment regarding the county's application. Provided that the county superintendent of schools submits a plan to comply with subsection (b) of Section 14110, the Superintendent of Public Instruction may grant the extension. The Superintendent of Public Instruction's determination regarding the county's application shall be set forth in a public report, which shall be made available to the public and posted on the Superintendent's Internet web site and which shall identify the steps the Superintendent of Public Instruction has taken to avoid the need for an extension. Counties shall be limited to two one-year extensions.*

(b) *Facilities constructed, acquired, or otherwise financed with Preschool for All funds shall be excluded from the existing school building capacity of a county office of education or school district pursuant to the Leroy F. Greene School Facilities Act of 1998, Chapter 12.5 (commencing with section 17070.10) of Part 10.*

(c) *A school district that is considering selling or leasing public school space shall include the need for Preschool for All facilities in the district in any needs assessment performed in connection with the proposed sale or lease.*

#### Article 5. Accountability

14123. (a) (1) *The Superintendent of Public Instruction shall monitor county superintendents of schools in their delivery of Preschool for All programs by, among other things, conducting fiscal audits and programmatic evaluations and imposing timely and effective sanctions, up to and including removing and replacing fiscal and administrative authority, in the event of a failure to guarantee access, quality, or fiscal accountability, or to comply with the requirements of this Act or the county's plan.*

(2) *If the Superintendent of Public Instruction determines that a county superintendent of schools is not adequately providing services required by this chapter, or is not complying with this chapter, with other laws, or with the county's plan, the Superintendent of Public Instruction may temporarily assume control of the county program until such failure is corrected, select and approve program providers, or appoint an alternative local administrator who shall exercise all of the authority and perform all of the responsibilities assigned to the county superintendent of schools pursuant to this Act, subject to the authority of the Superintendent of Public Instruction under this Act.*

(3) *The Superintendent of Public Instruction shall also have the authority to remove a program provider in any county, if the provider fails to guarantee access, quality, or fiscal accountability, or fails to comply with the requirements of this Act, state standards or any provision of law, or to add a program provider in order to ensure compliance with the requirements of this Act or the county plan.*

*(b) The Superintendent of Public Instruction shall collect and monitor uniform longitudinal data on Preschool for All enrollments, quality and components, costs, and results across all California counties. School districts shall be required to provide longitudinal data at the request of the Superintendent of Public Instruction.*

*(c) In each county or region, the Superintendent of Public Instruction shall appoint an independent Parental Advocate. The Parental Advocate shall attend meetings of the local Advisory Committee, and establish effective methods, responsive to parents and others, for soliciting concerns, including but not limited to local access and quality, and for expediting the resolution of such concerns on behalf of parents. The Parental Advocate shall ensure that parents can access the Parental Advocate's services by engaging in outreach appropriate for parents from communities being served. The Parental Advocate shall report to the office of the Superintendent of Public Instruction, who shall allocate funds to the Parental Advocate in each county or region pursuant to Section 14134 based on the population of preschool-eligible children in each county, with a maximum and minimum amount determined by the Superintendent of Public Instruction, to ensure the effectiveness of the Parental Advocate.*

*14124. (a) Subject to the approval of, and consistent with regulations adopted by, the Superintendent of Public Instruction, each county superintendent of schools shall establish a process, including fiscal audits and programmatic evaluations, for monitoring access, quality, and fiscal accountability by the county's program providers and for imposing timely and effective sanctions, up to and including removing and replacing program providers if the provider fails to guarantee access, quality or fiscal accountability or fails to comply with the requirements of this Act, state standards or any provision of law.*

*(b) For preschool programs operated by the county superintendent of schools, the Superintendent of Public Instruction shall perform the duties imposed on the county superintendent of schools in this section, consistent with the county's process for monitoring access, quality, and fiscal accountability.*

*14125. (a) Each county superintendent of schools shall prepare and file with the Superintendent of Public Instruction an annual, independent audit of the funds received from the Preschool for All Fund. The audit may be prepared separately or as part of any annual audit required by the state. It shall show how the funds were spent by category and program.*

*(b) Each county superintendent of schools shall prepare and file with the Superintendent of Public Instruction an annual report regarding the county's progress in serving eligible children in quality Preschool for All programs and satisfying the components of the county's plan, including the enrollment rate of preschool-age children in Preschool for All programs in the county.*

*(c) The Superintendent of Public Instruction shall review and, if satisfactory, approve the audit and report. If the Superintendent of Public Instruction determines that the audit or report is unsatisfactory, he or she shall return it to the county superintendent for amendment. If, after the county superintendent has had an opportunity to submit an amended audit or report, the Superintendent of Public Instruction determines that the audit or report is unsatisfactory, he or she shall have the right to exercise the authority provided in Section 14123. County superintendents of schools and the Superintendent of Public Instruction shall post the audits and reports required pursuant to this section on their Internet web sites and shall provide copies of the audits and reports to the Preschool for All Accountability Oversight Committee, established in Section 14129.*



14126. (a) *The Superintendent of Public Instruction shall annually prepare a clear and comprehensible report, which shall be posted on the Superintendent of Public Instruction's Internet web site and provided to the Preschool for All Accountability Oversight Committee established in Section 14129, of the following:*

(1) *The status of each county's use of Preschool for All funds, showing the total amount allocated to each county and the expenditures made against those allocations.*

(2) *An assessment of each county's progress in serving eligible children in quality Preschool for All programs and meeting the components of the county's plan.*

(3) *The status of the Superintendent of Public Instruction's use of Preschool for All funds for the purposes set forth in subdivision (a) of Section 14134 and Section 14130, showing the total amount allocated and the expenditures made against those allocations.*

(b) *By July 1, 2012, the Superintendent of Public Instruction shall identify, based on the counties' annual progress report, those counties for which preschool enrollment rates are significantly lower than the state average and shall conduct a programmatic evaluation in each such county to determine whether the county superintendent of schools has complied with the requirements of this Act.*

14127. (a) *After a period of time sufficient to effectively measure longitudinal results, and as necessary thereafter, the Governor shall engage a qualified neutral evaluator to conduct a statewide fiscal audit and programmatic evaluation of the Preschool for All program. The Governor may also engage a qualified neutral evaluator to conduct a fiscal audit and programmatic evaluation of the Preschool for All program in any county.*

(b) *A programmatic evaluation conducted pursuant to this section shall include, but shall not be limited to, an assessment of:*

(1) *Program integrity, including consideration of access, quality, equity and the consistency of the program with this Act; or, in the case of an individual county, with this Act and with the county's plan;*

(2) *The longitudinal effect of the Preschool for All program;*

(3) *The effectiveness of various components of preschool;*

(4) *The cost/benefit ratio of the investment in preschool to society and for the participants over time;*

(5) *The quality of the Preschool for All infrastructure and its ability to meet the goals of the Preschool for All Act;*

(6) *Awareness and engagement of parents about the overall structure and effectiveness of the program;*

(7) *The county's process for selecting and approving Preschool for All program providers, including the county's compliance with the requirements of this Act and the county's plan;*

(8) *The effectiveness of financial aid and other support to students pursuing courses and degrees in early learning in ensuring a qualified teaching and instructional aide staff for Preschool for All programs;*

(9) *The effectiveness of courses and degrees in early learning developed by California public colleges and universities pursuant to this Act in ensuring a qualified teaching and instructional aide staff for Preschool for All programs; and*

(10) *Whether Preschool for All program providers are compensating their teachers and instructional aides in a manner that is similar to teachers and*

*instructional aides in the K–12 public school system in that county for training and experience they gain after they have met the standards set by subdivisions (a) and (b) of Section 14111.*

*(c) Audits and evaluations conducted pursuant to this section shall be reported to the Legislature and the Superintendent of Public Instruction and posted on the Superintendent of Public Instruction’s Internet web site and shall be paid for out of the Preschool for All Fund.*

*14128. The Legislature shall set penalties, including fines, and/or criminal penalties for administrators who willfully misuse funds appropriated and allocated pursuant to Section 4 of Article IX of the California Constitution or who willfully cause the cap on expenditures for administrative purposes set forth in Section 14130 to be exceeded.*

*14129. (a) The Preschool for All Accountability Oversight Committee is hereby established and shall be chaired by the Controller. The Committee shall, on an annual basis:*

*(1) Review the annual report prepared by the Superintendent of Public Instruction pursuant to Section 14126 and the annual independent audit and report prepared by each county superintendent of schools pursuant to Section 14125;*

*(2) Review fiscal audits and programmatic evaluations conducted pursuant to Section 14127 and longitudinal data collected pursuant to subdivision (b) of Section 14123; and*

*(3) Make public recommendations to the Superintendent of Public Instruction and the Legislature regarding the effective implementation and operation of the Preschool for All Act, including, but not limited to, ensuring access, quality, and fiscal accountability.*

*(b) The Governor; the Lieutenant Governor; the Controller; the Treasurer; the Attorney General; the Senate Committee on Rules; and the Speaker of the Assembly shall appoint members of the Committee as follows:*

*(1) The Governor shall appoint an early learning professional representative and a higher education representative.*

*(2) The Lieutenant Governor shall appoint a parent representative and a public kindergarten through grade 12 administrator representative.*

*(3) The Controller shall appoint a preschool administrator representative.*

*(4) The Treasurer shall appoint a business representative.*

*(5) The Attorney General shall appoint a preschool advocate representative.*

*(6) The Senate Committee on Rules shall appoint a preschool teacher or instructional aide representative.*

*(7) The Speaker of the Assembly shall appoint a public kindergarten through grade 12 teacher representative.*

*(c) Members shall serve without compensation, but shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties.*

#### *Article 6. Funding*

*14130. No more than six percent of the funds distributed from the Preschool for All Fund may be used for state and county administrative purposes, as determined by the Superintendent of Public Instruction pursuant to subdivision (a) of Section 14116.*

*14131. Based on the funds received in the Preschool for All Fund between January 1, 2007, and June 15, 2007, the Superintendent of Public Instruction shall determine the amount necessary for the counties to satisfy the planning requirements of Section 14120 and, from that amount, shall authorize the*

*Controller to disburse funds to each county based on the number of preschool-eligible children in the county, with a maximum and minimum amount determined by the Superintendent of Public Instruction.*

14132. (a) *The Controller shall establish the Preschool for All Reserve Fund in the State Treasury. Moneys in this fund shall be held in trust for the purposes of this Act and may not be used for any purpose other than the purposes specified in this chapter. Moneys in this fund may not be loaned to the state General Fund or to any other fund of the state, to a county general fund or any other county fund, or to any other entity, and may not be borrowed by the Legislature or any other entity, for any purpose other than the purposes authorized by this Act.*

(b) (1) *During the first 10 years after the effective date of this Act, the Superintendent of Public Instruction shall, on an annual basis, determine the amount of funds necessary to ensure that the Preschool for All Reserve Fund contains, by the end of the 10th year, funds equal to one year's expenses for the Preschool for All Act at full implementation and shall direct the Controller to transfer that amount from the Preschool for All Fund to the Preschool for All Reserve Fund.*

(2) *Thereafter, the Superintendent of Public Instruction shall, on an annual basis, determine the amount of funds necessary to maintain in the Preschool for All Reserve Fund an amount equal to one year's expenses for the Preschool for All Act at full implementation and shall direct the Controller to transfer that amount from the Preschool for All Fund to the Preschool for All Reserve Fund, except as follows:*

(A) *In any year in which the balance in the Preschool for All Reserve Fund falls below one year's operating expenses at full implementation as the result of the allocation of funds from the Preschool for All Reserve Fund pursuant to subdivision (c), Preschool for All funds shall not be allocated to the Preschool for All Reserve Fund that year.*

(B) *Upon the Superintendent of Public Instruction's determination that the circumstances that required the allocation of funds pursuant to subdivision (c) of this section no longer exist, the Superintendent of Public Instruction shall, on an annual basis, determine the amount of funds necessary to ensure that the Preschool for All Reserve Fund contains, as soon as possible, but not later than the end of the eighth year following the determination, funds equal to one year's expenses for the Preschool for All Act at full implementation and shall direct the Controller to transfer that amount from the Preschool for All Fund to the Preschool for All Reserve Fund.*

(c) *In any year in which the state experiences a decline in the uniform statewide per-child allocation rate pursuant to Section 14134 such that the allocation of funds is insufficient to maintain quality and access for all children, the Superintendent of Public Instruction may, to further the purposes of this Act, direct the Controller to allocate funds from the Preschool for All Reserve Fund to the Preschool for All Fund.*

(d) (1) *The Superintendent of Public Instruction shall declare that a Preschool for All funding emergency exists if the balance in the Preschool for All Reserve Fund is projected to fall below 10 percent of the average annual costs of the program, excluding the costs incurred pursuant to subdivision (b) of this section and Section 14134, during the three preceding fiscal years for which data is available.*

(2) *In the event of a Preschool for All funding emergency, as defined in subparagraph (1), the Legislature may not use General Fund revenues to fund*

*this program; however, the Legislature may, by a vote and with approval by the Governor, for a single year, as permitted by subdivision (a) of Section 4 of Article IX of the California Constitution, institute a parent contribution.*

*(3) The Superintendent of Public Instruction shall ensure that no child shall be denied access based upon an ability to pay.*

*14133. (a) Funds appropriated pursuant to Section 8 of Article XVI of the California Constitution and other funds dedicated to school districts and county offices of education other than by this Act shall not be required to fund the programs provided pursuant to the Preschool for All Act.*

*(b) Nothing in this Act shall be construed to create or imply an obligation to fund, or a right to, transportation or full-day care.*

*14134. (a) (1) After setting aside the funds allocated to the Preschool for All Reserve Fund, established pursuant to Section 14132, the Superintendent of Public Instruction shall determine the amount of funds necessary to:*

*(A) Achieve a qualified workforce by establishing a workforce development plan, developing and providing college-level courses and degree programs in early learning, and by establishing a financial aid program pursuant to Section 14113;*

*(B) Create and implement an early learning credential pursuant to Section 14112;*

*(C) Ensure that, in each county or region, the Parental Advocate has the funds necessary to carry out his or her responsibilities under subdivision (c) of Section 14123;*

*(D) Engage in public outreach pursuant to subdivision (b) of Section 14116;*

*(E) Monitor and audit county programs pursuant to this Act; and*

*(F) Fund a state-level facilities reserve fund, which is hereby established in the State Treasury, during the first 10 years after the effective date of this Act, in order to ensure that counties comply with subdivision (b) of Section 14110 and to ensure access and quality. The Superintendent of Public Instruction may allocate moneys from this fund, consistent with paragraph (3) of subdivision (c) of Section 14116, to provide additional funding to counties whose per child allocation cannot, consistent with fair access for the county's children, meet the county's facility needs, as demonstrated by the county's plan pursuant to paragraph (11) of subdivision (b) of Section 14120.*

*(2) Based on the determination required pursuant to paragraph (1), the Superintendent of Public Instruction shall authorize the Controller to disburse funds from the Preschool for All Fund to carry out the purposes of this subdivision.*

*(b) All other funds shall, on an annual basis, be allocated to a fund established by the Controller for each county based on a uniform statewide per-child allocation rate, established by the Superintendent of Public Instruction, for preschool-eligible children in the county, for the period from July 1, 2006, through July 1, 2016. The Superintendent of Public Instruction shall authorize the Controller to disburse sufficient funds, as determined by the Superintendent of Public Instruction, to each county from that county's account, to make expenditures, as approved in the county's plan, to meet the requirements of this Act by serving enrolled children and by building capacity for eligible children. If a county fails to spend funds according to its approved plan, the Superintendent of Public Instruction may direct the Controller to return those funds to the Preschool for All Fund.*

*(c) After July 1, 2016, the highest priority for funding shall be to serve children in Preschool for All programs. Therefore, the Controller shall, on an*

annual basis, allocate funds from the Preschool for All Fund to each county's account based on a uniform statewide per-child allocation rate, established by the Superintendent of Public Instruction, for children enrolled in Preschool for All programs in that county. The Superintendent of Public Instruction shall authorize the Controller to disburse sufficient funds, as determined by the Superintendent of Public Instruction, to each county from that county's account to make expenditures approved in the county's plan. However, prior to the allocation of funds, the Superintendent of Public Instruction shall first determine, and shall direct the Controller to set aside, the amount of funds necessary to:

- (1) Carry out the purposes of subdivision (a); and
- (2) Ensure that counties whose costs, as approved in the county's plan, exceed their allotment as the result of circumstances beyond the county's control, have the resources necessary to serve enrolled children and to build capacity for eligible children. From this set-aside amount, the Superintendent of Public Instruction may allocate sufficient funds to those counties to make the expenditures approved in their plans.

14135. (a) A county superintendent of schools shall select and approve the providers of the following programs if the providers apply to participate in the county's Preschool for All program and they meet Preschool for All program requirements:

- (1) The federal Head Start program.
- (2) Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6) programs, including all of the following:
  - (A) Migrant child care and development programs pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6;
  - (B) State preschool programs, both part-day and full-day, pursuant to Article 7 (commencing with Section 8235) of Chapter 2 of Part 6;
  - (C) General child care and development programs pursuant to Article 8 (commencing with Section 8240) of Chapter 2 of Part 6;
  - (D) Family child care home education networks pursuant to Article 8.5 (commencing with Section 8245) of Chapter 2 of Part 6;
  - (E) Child care and development services for children with exceptional needs pursuant to Article 9 (commencing with Section 8250) of Chapter 2 of Part 6; and
  - (F) Campus child care programs reimbursed pursuant to Section 8330.

(b) Participating programs shall be entitled to a quality enhancement payment equal to the difference between the per-child amount for Preschool for All program providers in that county for which they would qualify and the average per-child amount of state and federal dollars already received by these programs for that portion of the day for which the program provides an educational component equivalent to the requirements of the Preschool for All Act. State and federal funding for the non-educational components of the program shall not be included in this calculation.

(c) Moneys in the Preschool for All Fund or in any other fund established pursuant to this Act shall not be used to supplant state funds for the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6).

**Section 8. Section 17041.1 is added to the Revenue and Taxation Code, to read:**

17041.1. For each taxable year beginning on or after January 1, 2007, in addition to any other taxes imposed by this part, an additional tax at the rate of



*1.7 percent shall be imposed on that portion of a taxpayer's taxable income in excess of any of the following:*

*(a) Four hundred thousand dollars (\$400,000) in the case of an individual who is not a married individual, or a married individual who does not make a single return jointly with his or her spouse;*

*(b) Five hundred and forty-four thousand and four hundred and sixty-seven dollars (\$544,467) in the case of a head of household; and*

*(c) Eight hundred thousand dollars (\$800,000) in the case of a married couple who make a joint return.*

*(d) Notwithstanding Section 13340 of the Government Code, the proceeds of the tax imposed by this section shall be deposited in the Preschool for All Fund and shall be continuously appropriated, without regard to fiscal year, solely for the purposes of the Preschool for All Act.*

*(e) Based on the procedures set forth in Section 19602.5, the Franchise Tax Board, in consultation with the Legislative Analyst, shall, by November 15, 2006, establish by regulation a transfer rate and a mechanism for adjustment that permits estimated revenue from the additional tax imposed by this section to be transferred by the Controller to the Preschool for All Fund on a monthly basis, subject to an adjustment based on the procedures set forth in Section 19602.5 to account for any difference between estimated revenues and actual revenues.*

**Section 9. Section 19602 of the Revenue and Taxation Code is amended to read:**

19602. Except for amounts collected or accrued under Sections 17935, 17941, 17948, 19532, and 19561, ~~and~~ revenues deposited pursuant to Section 19602.5, *and revenues collected pursuant to Section 17041.1*, all moneys and remittances received by the Franchise Tax Board as amounts imposed under Part 10 (commencing with Section 17001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited, after clearance of remittances, in the State Treasury and credited to the Personal Income Tax Fund.

**Section 10. Section 3540.1 of the Government Code is amended to read:**  
3540.1. As used in this chapter:

(a) "Board" means the Public Employment Relations Board created pursuant to Section 3541.

(b) "Certified organization" or "certified employee organization" means an organization which has been certified by the board as the exclusive representative of the public school employees in an appropriate unit after a proceeding under Article 5 (commencing with Section 3544).

(c) "Confidential employee" means any employee who is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information that is used to contribute significantly to the development of management positions.

(d) "Employee organization" means any organization which includes employees of a public school employer and which has as one of its primary purposes representing those employees in their relations with that public school employer. "Employee organization" shall also include any person of the organization authorized to act on its behalf.

(e) "Exclusive representative" means the employee organization recognized or certified as the exclusive negotiating representative of certificated or classified employees in an appropriate unit of a public school employer.

(f) "Impasse" means that the parties to a dispute over matters within the scope of representation have reached a point in meeting and negotiating at which

their differences in positions are so substantial or prolonged that future meetings would be futile.

(g) “Management employee” means any employee in a position having significant responsibilities for formulating district policies or administering district programs. Management positions shall be designated by the public school employer subject to review by the Public Employment Relations Board.

(h) “Meeting and negotiating” means meeting, conferring, negotiating, and discussing by the exclusive representative and the public school employer in a good faith effort to reach agreement on matters within the scope of representation and the execution, if requested by either party, of a written document incorporating any agreements reached, which document shall, when accepted by the exclusive representative and the public school employer, become binding upon both parties and, notwithstanding Section 3543.7, is not subject to subdivision 2 of Section 1667 of the Civil Code. The agreement may be for a period of not to exceed three years.

(i) “Organizational security” is within the scope of representation, and means either of the following:

(1) An arrangement pursuant to which a public school employee may decide whether or not to join an employee organization, but which requires him or her, as a condition of continued employment, if he or she does join, to maintain his or her membership in good standing for the duration of the written agreement. However, an arrangement may not deprive the employee of the right to terminate his or her obligation to the employee organization within a period of 30 days following the expiration of a written agreement.

(2) An arrangement that requires an employee, as a condition of continued employment, either to join the recognized or certified employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization for the duration of the agreement, or a period of three years from the effective date of the agreement, whichever comes first.

(j) “Public school employee” or “employee” means any person employed by any public school employer except persons elected by popular vote, persons appointed by the Governor of this state, management employees, and confidential employees.

(k) “Public school employer” or “employer” means the governing board of a school district, a school district, a county board of education, a county superintendent of schools, or a charter school that has declared itself a public school employer pursuant to subdivision (b) of Section 47611.5 of the Education Code, *and shall include any “public school employer” or “employer” that is subject to, and receives funding under, the Preschool for All Act.*

(l) “Recognized organization” or “recognized employee organization” means an employee organization which has been recognized by an employer as the exclusive representative pursuant to Article 5 (commencing with Section 3544).

(m) “Supervisory employee” means any employee, regardless of job description, having authority in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to assign work to and direct them, or to adjust their grievances, or effectively recommend that action, if, in connection with the foregoing functions, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(n) (1) “Preschool for All program employer” or “employer” means a licensed preschool provider employer that is subject to, and receives funding under, the Preschool for All Act.

(2) “Preschool for All program employee” or “employee” means an employee of a “Public employer” or “employer” as defined in subdivision (k) or a “Preschool for All program employer” as defined in paragraph (1).

(3) “Employee organization” under the “Preschool for All Program” shall mean an employee organization as defined in subdivision (d), or any employee organization which includes employees of a licensed preschool provider employer that is subject to, and receives funding under, the Preschool for All Act and has as one of its primary purposes representing those employees in their relations with their “Preschool for All Program” employer. “Employee organization” shall also include any person such organization authorizes to act on its behalf.

(4) For purposes of coverage, “Preschool for All program employers,” “Preschool for All program employees,” and “Preschool for All program employee organization,” all as defined in this section, shall be included in all sections of this chapter.

**Section 11. Effective Date.**

This Act shall take effect the day after the election at which it is approved; provided, however, that if the personal income tax for the income brackets specified in Section 8 of this Act is increased by the same rate as the Preschool for All Act, or by a higher rate, prior to June 6, 2006, this Act shall not take effect until January 1, 2010. If, for any reason, the effective date of this Act is delayed, all deadlines in this Act shall be extended for a period of time commensurate with the delay.

**Section 12. Legal Challenge.**

Any challenge to the validity of this Act must be filed within six months of the effective date of this Act.

**Section 13. Amendment.**

The statutory provisions of this Act may be amended to carry out its purpose and intent by statutes requiring a 2/3 vote for enactment.

**Section 14. Severability.**

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 this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**Section 15. Conflicting Initiatives.**

In the event that this measure and another initiative measure or measures establishing voluntary universal preschool or increasing personal income tax rates 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 receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure shall be null and void.



## BOND ACTS SUBMITTED BY LEGISLATURE

Number  
on ballot

81. **California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006.** (Statutes 2004, Chapter 698, SB 1161)

[Rejected by electors June 6, 2006.]

### PROPOSED LAW

SECTION 1. Chapter 12.5 (commencing with Section 20020) is added to Part 11 of the Education Code, to read:

*CHAPTER 12.5. CALIFORNIA READING AND LITERACY  
IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND  
RENOVATION BOND ACT OF 2006*

*Article 1. General Provisions*

*20020. This chapter shall be known and may be cited as the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006.*

*20021. The Legislature finds and declares the following:*

*(a) Reading and literacy skills are fundamental to success in our economy and our society.*

*(b) Public libraries are a vital part of the educational system. They provide resources and services for all residents of California, including preschoolers, out-of-school adults, senior citizens, and those attending schools at all levels.*

*(c) In many cases, libraries serve as a community's only public point of access to resources for learning and by extension, self-sufficiency.*

*(d) The construction and renovation of public library facilities is necessary to expand access to reading and literacy programs in California's public education system and to expand access to public library services for all residents of California.*

*(e) The need for library facilities continues to grow. A 2003 needs assessment compiled by the State Library found that there is a need for over two billion dollars (\$2,000,000,000) in public library funding.*

*(f) In March 2000, California voters approved a bond measure of three hundred fifty million dollars (\$350,000,000) for library construction and renovation.*

*(g) Due to the overwhelming response by applicants, the California Public Library Construction and Renovation Board will ultimately be forced to deny approximately 75 percent of all applications due to lack of additional bond funding.*

*20022. As used in this chapter, the following terms have the following meanings:*

*(a) "Committee" means the California Library Construction and Renovation Finance Committee established pursuant to Section 19972 and continued in existence pursuant to Section 20040 for the purposes of this chapter.*

*(b) "Fund" means the California Public Library Construction and Renovation Fund of 2006 established pursuant to Section 20024.*

(c) "Board" means the California Public Library Construction and Renovation Board of 2006 established pursuant to Section 20023.

20023. (a) The California Public Library Construction and Renovation Board of 2006 is hereby established.

(b) The board is comprised of the State Librarian, the Treasurer, the Director of Finance, an Assembly Member appointed by the Speaker of the Assembly, a Senator appointed by the Senate Committee on Rules, and two members appointed by the Governor.

(c) Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purpose of this chapter, Members of the Legislature who are members of the board constitute a joint legislative committee on the subject matter of this chapter.

#### Article 2. Program Provisions

20024. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Public Library Construction and Renovation Fund of 2006, which is hereby established.

20025. All moneys deposited in the fund, except as provided in Section 20049.5, are continuously appropriated to the State Librarian, notwithstanding Section 13340 of the Government Code, and are available for grants to any city, county, city and county, or library district that is authorized at the time of the project application to own and maintain a public library facility for the purposes set forth in Section 20026.

20026. The grant funds authorized pursuant to Section 20025, and the matching funds provided pursuant to Section 20033, shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing public library facilities.

(b) Acquisition of land necessary for the purposes of subdivision (a).

(c) Remodeling or rehabilitation of existing public library facilities or of other facilities for the purpose of their conversion to public library facilities. All remodeling and rehabilitation projects funded with grants authorized pursuant to this chapter shall include any necessary upgrading of electrical and telecommunications systems to accommodate Internet and similar computer technology.

(d) Procurement or installation, or both, of furnishings and equipment required to make a facility fully operable, if the procurement or installation is part of a construction or remodeling project funded pursuant to this section.

(e) Payment of fees charged by architects, engineers, and other professionals, whose services are required to plan or execute a project authorized pursuant to this chapter.

(f) Service charges where the services in question are required by the applicant jurisdiction to be provided by a public works or similar department, or by other departments providing professional services where the costs are directly billed to the project pursuant to this chapter.

20027. (a) An applicant for a grant for the acquisition, construction, remodeling, or rehabilitation of public library facilities under this chapter on land not currently possessed by that applicant, for a project that does not include an application for a grant to acquire that land pursuant to subdivision (b) of Section 20026, shall be deemed to comply with any administrative condition adopted pursuant to this chapter that the applicant own the land if

*the application is accompanied by a copy of a court order issued in an eminent domain action pursuant to Section 1255.410 of the Code of Civil Procedure that entitles the applicant to possession of the land.*

*(b) The terms “purchase of land” and “acquisition of land” as used in this chapter, or in any rule, regulation or policy adopted by the board pursuant to Section 20030, include, but are not limited to, the acquisition of land by eminent domain. For that purpose, the eligible cost of acquisition shall be the fair market value of the property as defined by Article 4 (commencing with Section 1263.310) of Chapter 9 of Title 7 of Part 3 of the Code of Civil Procedure, except that, if title to the land will not be transferred until after the application is submitted for a grant for the acquisition of the land, the eligible cost of acquisition may not exceed the appraised value of the land.*

*20028. Any grant funds authorized pursuant to Section 20025, or matching funds provided pursuant to Section 20033, may not be used by a recipient for any of the following purposes:*

*(a) Books and other library materials.*

*(b) Administrative costs of the project, including, but not limited to, the costs of any of the following:*

*(1) Preparation of the grant application.*

*(2) Procurement of matching funds.*

*(3) Conduct of an election for obtaining voter approval of the project.*

*(c) Except as set forth in this chapter, including, but not limited to, Section 20048, interest or other carrying charges for financing the project, including, but not limited to, costs of loans or lease-purchase agreements in excess of the direct costs of any of the authorized purposes specified in Section 20026.*

*(d) Any ongoing operating expenses for the facility, its personnel, supplies or any other library operations.*

*20029. All construction contracts for projects funded in part through grants awarded pursuant to this chapter shall be awarded through competitive bidding pursuant to Part 3 (commencing with Section 20100) of Division 2 of the Public Contract Code.*

*20030. This chapter shall be administered by the State Librarian. The board shall adopt rules, regulations, and policies for the implementation of this chapter.*

*20031. A city, county, city and county, or library district may apply to the State Librarian for a grant pursuant to this chapter as follows:*

*(a) Each application shall be for a project for a purpose authorized by Section 20026.*

*(b) An application may not be submitted for a project for which construction bids already have been advertised.*

*(c) The applicant shall request not less than fifty thousand dollars (\$50,000) per project.*

*20032. In making the awards, the board shall consider applications for construction or rehabilitation of public library facilities submitted pursuant to Section 20031 and the funding shall be allocated in the following manner:*

*(a) First priority shall be given to applications deemed eligible by the State Librarian, that were submitted but not funded in the third application cycle of the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. Amounts awarded by the board for these applications may not exceed 50 percent of the total amount authorized pursuant to Section 20038.*

*(b) Until regulations are adopted pursuant to Section 20030, regulations adopted pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Chapter 12 (commencing with Section 19985)) govern the administration of this chapter.*

*(c) Funds not awarded for the third application cycle pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 shall be awarded on a competitive basis pursuant to this chapter.*

*(d) (1) Except as set forth in paragraph (2), an amount of at least twenty-five million dollars (\$25,000,000) shall be made available for joint-use projects that meet all of the following requirements:*

*(A) The joint-use project is with one or more public education institutions. For the purpose of this section, "public education institution" means any of the following:*

*(i) A school district maintaining any combination of educational settings from kindergarten to grade 12, inclusive.*

*(ii) A county office of education.*

*(iii) A community college district.*

*(iv) A campus of the California State University.*

*(v) A campus of the University of California.*

*(B) The public education institution or institutions participating as a joint-use partner or partners provide at least 50 percent of the 35 percent local matching funds required pursuant to subdivision (a) of Section 20033.*

*(C) Consideration may be given to a proposed joint-use project to be located in a low-income area.*

*(D) Consideration may be given to a proposed joint-use project to be located in an area in which public schools have low scores on the Academic Performance Index.*

*(2) If, by March 2, 2010, the total dollar amount of all approved applications for joint-use projects pursuant to this section exceeds the total dollar amount made available for joint-use projects pursuant to paragraph (1), joint-use projects may also be funded from any other funds available to the board under this chapter.*

*(3) If, by March 2, 2010, the total dollar amount of all approved applications for joint-use projects pursuant to this section is less than the total dollar amount made available for joint-use projects pursuant to paragraph (1), any remaining funds under paragraph (1) shall be made available for any other grants under this chapter awarded on a competitive basis in the same manner as set forth in subdivision (c).*

*20033. (a) Each grant recipient shall provide matching funds from any available source in an amount equal to 35 percent of the costs of the project. The remaining 65 percent of the costs of the project, up to a maximum of twenty million dollars (\$20,000,000) per project, shall be provided through allocations from the fund.*

*(b) Qualifying matching funds shall be cash expenditures in the categories specified in Section 20026 which are made not earlier than five years prior to the submission of the application to the State Librarian. Except as otherwise provided in subdivision (c), in-kind expenditures do not qualify as matching funds.*

*(c) Land donated or otherwise acquired for use as a site for the facility, including, but not limited to, land purchased more than five years prior to the*

submission of the application to the State Librarian, may count towards the required 35 percent local fund contribution at its appraised value as of the date of the application. This subdivision does not apply to land acquired with funds authorized pursuant to Part 68 (commencing with Section 100400), Part 68.1 (commencing with Section 100600), or Part 68.2 (commencing with Section 100800) if approved by the voters.

(d) Expenditures for payment of architect fees for plans and drawings for library renovation and new construction, including, but not limited to, plans and drawings purchased more than five years prior to the submission of the application to the State Librarian, may count towards the required 35 percent local funds contribution.

20034. (a) The estimated costs of a project for which an application is submitted shall be consistent with normal public construction costs in the geographic area of the applicant.

(b) An applicant wishing to construct a project having costs that exceed normal public construction costs in the area may apply for a grant in an amount not to exceed 65 percent of the normal costs up to a maximum of twenty million dollars (\$20,000,000) per project if the applicant certifies that it is capable of financing the remainder of the project costs from other sources.

20035. After an application has been approved by the board and included in the request of the State Librarian to the committee, the amount of the funding to be provided to the applicant may not be increased. Any actual changes in project costs are the responsibility of the applicant. If the amount of funding that is provided is greater than the cost of the project, the applicant shall return that amount of funding that exceeds the cost of the project to the fund. If an applicant has been awarded funding by the board, but decides not to proceed with the project, the applicant shall return all of the funding to the fund.

20036. (a) In reviewing applications, as part of establishing the priorities set forth in Section 20032, the board shall consider all of the following factors:

- (1) The needs of urban, suburban, and rural areas.
- (2) The age and condition of existing library facilities within an area.
- (3) The degree to which existing library facilities are inadequate in meeting the needs of the residents in the library service area.
- (4) The degree to which the proposed project responds to the needs of the residents in the library service area.
- (5) The degree to which the library integrates appropriate electronic technologies into the proposed project.
- (6) The degree to which the proposed site is appropriate for the proposed project and its intended use.

(7) The financial commitment of the local agency submitting the application to open, operate, and maintain the proposed library project upon its completion.

(b) If, after an application has been submitted, material changes occur that would alter the evaluation of an application, the State Librarian may accept an additional written statement from the applicant for consideration by the board.

20037. (a) A facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of at least 20 years following completion of the project.

(b) Any financial interest that the state may have in the land or facility, or both, resulting from the funding of a project under this chapter, as described in subdivision (a), may be transferred by the State Librarian through an exchange



*for a replacement site and facility acquired or constructed for the purpose of providing public library direct service.*

*(c) If the facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board shall be entitled to recover from the grant recipient, or the successor of the recipient, an amount that bears the same ratio to the value of the facility, or appropriate part thereof, at the time it ceased to be used for public library direct service, as the amount of the original grant bore to the original cost of the facility, or appropriate part thereof. For purposes of this subdivision, the value of the facility, or appropriate part thereof, shall be determined by the mutual agreement of the board and the grant recipient or successor, or through an action brought for that purpose in the superior court.*

*(d) Notwithstanding subdivision (f) of Section 16724 of the Government Code, any money recovered pursuant to subdivision (c) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.*

### Article 3. Fiscal Provisions

*20038. Bonds in the total amount not to exceed a total of six hundred million dollars (\$600,000,000), exclusive of refunding bonds issued in accordance with Section 20046, or so much thereof as is necessary, may be issued and sold for deposit in the fund to be used in accordance with, and for carrying out the purposes expressed in, this chapter, including all acts amendatory thereof and supplementary thereto, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest on bonds as the principal and interest become due and payable.*

*20039. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except Section 16727 of the Government Code to the extent that it may be inconsistent with this chapter.*

*20040. (a) For purposes of this chapter, the California Library Construction and Renovation Finance Committee established pursuant to Section 19972 is continued in existence and is the "committee" as that term is used in the State General Obligation Bond Law for the purpose of this chapter.*

*(b) For purposes of the State General Obligation Bond Law, the California Public Library Construction and Renovation Board of 2006 established pursuant to Section 20023 is designated the board.*

*20041. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in this chapter, including all acts amendatory thereof and supplementary thereto, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.*

20042. *There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.*

20043. *Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:*

(a) *The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.*

(b) *The sum necessary to carry out Section 20044, appropriated without regard to fiscal years.*

20044. *For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account during the time the money was withdrawn from the General Fund pursuant to this section, from money received from the sale of bonds for the purpose of carrying out this chapter.*

20045. *The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request may not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.*

20046. *Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds under this chapter shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.*

20047. *Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

20048. *All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.*

20049. *The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*

20049.5. *Amounts deposited in the fund pursuant to this chapter may be appropriated in the annual Budget Act to the State Librarian for the actual amount of office, personnel, and other customary and usual expenses incurred in the direct administration of grant projects pursuant to this chapter, including, but not limited to, expenses incurred by the State Librarian in providing technical assistance to an applicant for a grant under this chapter.*



**PROPOSITIONS SUBMITTED TO  
VOTE OF ELECTORS**

**General Election, November 7, 2006**

**MEASURES ADOPTED**

**CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE**

*Number  
on ballot*

- 1A. **Transportation Funding Protection.** (Statutes 2006, Resolution Chapter 49, SCA 7)

[Approved by electors November 7, 2006.]

**PROPOSED AMENDMENT TO SECTION 1 OF ARTICLE XIX B**

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

(b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, in accordance with Section 7104 of the Revenue and Taxation Code as that section read on the operative date of this article *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) 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~~ *purposes* set forth in subparagraph (D) of paragraph (2) of subdivision (b).

(d) ~~The~~ (1) *Except as otherwise provided by paragraph (2), 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 all of the following conditions are met:*

(~~H~~) (A) ~~The Governor has issued~~ *issues* a proclamation that declares that, *due to a severe state fiscal hardship, the suspension of the transfer of revenues pursuant to required by 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 is necessary.*

(~~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 required by subdivision (a); provided that and the bill does not contain any other unrelated provision.*

(C) *No later than the effective date of the statute described in subparagraph (B), a separate statute is enacted that provides for the full repayment to the Transportation Investment Fund of the total amount of revenue that was not transferred to that fund as a result of the suspension, including interest as provided by law. This full repayment shall be made not later than the end of the third fiscal year immediately following the fiscal year to which the suspension applies.*

(2) (A) *The transfer required by subdivision (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 commencing on or after July 1, 2007, for which the transfer required by subdivision (a) is suspended.*

(B) *The transfer required by subdivision (a) shall not be suspended during any fiscal year if a full repayment required by a statute enacted in accordance with subparagraph (C) of paragraph (1) has not yet been completed.*

(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).*

(f) (1) *An amount equivalent to the total amount of revenues that were not transferred from the General Fund of the State to the Transportation Investment Fund, as of July 1, 2007, because of a suspension of transfer of revenues pursuant to this section as it read on January 1, 2006, but excluding the amount to be paid to the Transportation Deferred Investment Fund pursuant to Section 63048.65 of the Government Code, shall be transferred from the General Fund to the Transportation Investment Fund no later than June 30, 2016. Until this total amount has been transferred, the amount of transfer payments to be made in each fiscal year shall not be less than one-tenth of the total amount required to be transferred by June 30, 2016. The transferred revenues shall be allocated solely for the purposes set forth in this section as if they had been received in the absence of a suspension of transfer of revenues.*

(2) *The Legislature may provide by statute for the issuance of bonds by the state or local agencies, as applicable, that are secured by the minimum transfer payments required by paragraph (1). Proceeds from the sale of those bonds shall be allocated solely for the purposes set forth in this section as if they were revenues subject to allocation pursuant to paragraph (2) of subdivision (b).*

## INITIATIVE STATUTES

Number  
on ballot

83. **Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring.**

[Submitted by the initiative and approved by electors November 7, 2006.]

### PROPOSED LAW

#### SECTION 1. SHORT TITLE

This Act shall be known and may be cited as “The Sexual Predator Punishment and Control Act: Jessica’s Law.”

#### SEC. 2. FINDINGS AND DECLARATIONS

The People find and declare each of the following:

(a) The State of California currently places a high priority on maintaining public safety through a highly skilled and trained law enforcement as well as laws that deter and punish criminal behavior.

(b) Sex offenders have very high recidivism rates. According to a 1998 report by the U.S. Department of Justice, sex offenders are the least likely to be cured and the most likely to reoffend, and they prey on the most innocent members of our society. More than two-thirds of the victims of rape and sexual assault are under the age of 18. Sex offenders have a dramatically higher recidivism rate for their crimes than any other type of violent felon.

(c) Child pornography exploits children and robs them of their innocence. FBI studies have shown that pornography is very influential in the actions of sex offenders. Statistics show that 90% of the predators who molest children have had some type of involvement with pornography. Predators often use child pornography to aid in their molestation.

(d) The universal use of the Internet has also ushered in an era of increased risk to our children by predators using this technology as a tool to lure children away from their homes and into dangerous situations. Therefore, to reflect society’s disapproval of this type of activity, adequate penalties must be enacted to ensure predators cannot escape prosecution.

(e) With these changes, Californians will be in a better position to keep themselves, their children, and their communities safe from the threat posed by sex offenders.

(f) It is the intent of the People in enacting this measure to help Californians better protect themselves, their children, and their communities; it is not the intent of the People to embarrass or harass persons convicted of sex offenses.

(g) Californians have a right to know about the presence of sex offenders in their communities, near their schools, and around their children.

(h) California must also take additional steps to monitor sex offenders, to protect the public from them, and to provide adequate penalties for and safeguards against sex offenders, particularly those who prey on children. Existing laws that punish aggravated sexual assault, habitual sexual offenders, and child molesters must be strengthened and improved. In addition, existing laws that provide for the commitment and control of sexually violent predators must be strengthened and improved.

(i) Additional resources are necessary to adequately monitor and supervise sexual predators and offenders. It is vital that the lasting effects of the assault do not further victimize victims of sexual assault.

(j) Global Positioning System technology is a useful tool for monitoring sexual predators and other sex offenders and is a cost effective measure for parole supervision. It is critical to have close supervision of this class of criminals to monitor these offenders and prevent them from committing other crimes.

(k) California is the only state, of the number of states that have enacted laws allowing involuntary civil commitments for persons identified as sexually violent predators, which does not provide for indeterminate commitments. California automatically allows for a jury trial every two years irrespective of whether there is any evidence to suggest or prove that the committed person is no longer a sexually violent predator. As such, this act allows California to protect the civil rights of those persons committed as a sexually violent predator while at the same time protect society and the system from unnecessary or frivolous jury trial actions where there is no competent evidence to suggest a change in the committed person.

SEC. 3. Section 209 of the Penal Code is amended to read:

209. (a) Any person who seizes, confines, inveigles, entices, decoys, abducts, conceals, kidnaps or carries away another person by any means whatsoever with intent to hold or detain, or who holds or detains, that person for ransom, reward or to commit extortion or to exact from another person any money or valuable thing, or any person who aids or abets any such act, is guilty of a felony, and upon conviction thereof, shall be punished by imprisonment in the state prison for life without possibility of parole in cases in which any person subjected to any such act suffers death or bodily harm, or is intentionally confined in a manner which exposes that person to a substantial likelihood of death, or shall be punished by imprisonment in the state prison for life with the possibility of parole in cases where no such person suffers death or bodily harm.

(b) (1) Any person who kidnaps or carries away any individual to commit robbery, rape, spousal rape, oral copulation, sodomy, or ~~sexual penetration in any violation of Section 264.1, 288, or 289~~, shall be punished by imprisonment in the state prison for life with *the* possibility of parole.

(2) This subdivision shall only apply if the movement of the victim is beyond that merely incidental to the commission of, and increases the risk of harm to the victim over and above that necessarily present in, the intended underlying offense.

(c) In all cases in which probation is granted, the court shall, except in unusual cases where the interests of justice would best be served by a lesser penalty, require as a condition of the probation that the person be confined in the county jail for 12 months. If the court grants probation without requiring the defendant to be confined in the county jail for 12 months, it shall specify its reason or reasons for imposing a lesser penalty.

(d) Subdivision (b) shall not be construed to supersede or affect Section 667.61. A person may be charged with a violation of subdivision (b) and Section 667.61. However, a person may not be punished under subdivision (b) and Section 667.61 for the same act that constitutes a violation of both subdivision (b) and Section 667.61.

SEC. 4. Section 220 of the Penal Code is amended to read:

220. ~~Every~~ (a) *Except as provided in subdivision (b), any person who assaults another with intent to commit mayhem, rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 is punishable shall be punished by imprisonment in the state prison for two, four, or six years.*

(b) *Any person who, in the commission of a burglary of the first degree, as defined in subdivision (a) of Section 460, assaults another with intent to commit*

*rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 shall be punished by imprisonment in the state prison for life with the possibility of parole.*

SEC. 5. Section 269 of the Penal Code is amended to read:

269. (a) Any person who commits any of the following acts upon a child who is under 14 years of age and ~~10~~ *seven* or more years younger than the person is guilty of aggravated sexual assault of a child:

(1) ~~A Rape~~, in violation of paragraph (2) *or* (6) of subdivision (a) of Section 261.

(2) ~~A Rape or sexual penetration, in concert~~, in violation of Section 264.1.

(3) Sodomy, in violation of *paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 286, when committed by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.*

(4) Oral copulation, in violation of *paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 288a, when committed by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.*

(5) ~~A Sexual penetration~~, in violation of subdivision (a) of Section 289.

(b) Any person who violates this section is guilty of a felony and shall be punished by imprisonment in the state prison for 15 years to life.

(c) *The court shall impose a consecutive sentence for each offense that results in a conviction under this section if the crimes involve separate victims or involve the same victim on separate occasions as defined in subdivision (d) of Section 667.6.*

SEC. 6. Section 288.3 is added to the Penal Code, to read:

288.3. (a) *Every person who contacts or communicates with a minor, or attempts to contact or communicate with a minor, who knows or reasonably should know that the person is a minor, with intent to commit an offense specified in Section 207, 209, 261, 264.1, 273a, 286, 288, 288a, 288.2, 289, 311.1, 311.2, 311.4 or 311.11 involving the minor shall be punished by imprisonment in the state prison for the term prescribed for an attempt to commit the intended offense.*

(b) *As used in this section, "contacts or communicates with" shall include direct and indirect contact or communication that may be achieved personally or by use of an agent or agency, any print medium, any postal service, a common carrier or communication common carrier, any electronic communications system, or any telecommunications, wire, computer, or radio communications device or system.*

(c) *A person convicted of a violation of subdivision (a) who has previously been convicted of a violation of subdivision (a) shall be punished by an additional and consecutive term of imprisonment in the state prison for five years.*

SEC. 7. Section 290.3 of the Penal Code is amended to read:

290.3. (a) Every person who is convicted of any offense specified in subdivision (a) of Section 290 shall, in addition to any imprisonment or fine, or both, imposed for ~~violation~~ *commission* of the underlying offense, be punished by a fine of ~~two~~ *three* hundred dollars (~~\$200~~) (*\$300*) upon the first conviction or a fine of ~~three~~ *five* hundred dollars (~~\$300~~) (*\$500*) upon the second and each subsequent conviction, unless the court determines that the defendant does not have the ability to pay the fine.

An amount equal to all fines collected pursuant to this subdivision during the preceding month upon conviction of, or upon the forfeiture of bail by, any person arrested for, or convicted of, committing an offense specified in subdivision (a)

of Section 290, shall be transferred once a month by the county treasurer to the Controller for deposit in the General Fund. Moneys deposited in the General Fund pursuant to this subdivision shall be transferred by the Controller as provided in subdivision (b).

(b) ~~Out~~ *Except as provided in subdivision (d), out* of the moneys deposited pursuant to subdivision (a) as a result of second and subsequent convictions of Section 290, one-third shall first be transferred to the Department of Justice Sexual Habitual Offender Fund, as provided in paragraph (1) of this subdivision. Out of the remainder of all moneys deposited pursuant to subdivision (a), 50 percent shall be transferred to the Department of Justice Sexual Habitual Offender Fund, as provided in paragraph (1), 25 percent shall be transferred to the Department of Justice DNA Testing Fund, as provided in paragraph (2), and 25 percent shall be allocated equally to counties that maintain a local DNA testing laboratory, as provided in paragraph (3).

(1) Those moneys so designated shall be transferred to the Department of Justice Sexual Habitual Offender Fund created pursuant to paragraph (5) of subdivision (b) of Section 11170 and, when appropriated by the Legislature, shall be used for the purposes of Chapter 9.5 (commencing with Section 13885) and Chapter 10 (commencing with Section 13890) of Title 6 of Part 4 for the purpose of monitoring, apprehending, and prosecuting sexual habitual offenders.

(2) Those moneys so designated shall be directed to the Department of Justice and transferred to the Department of Justice DNA Testing Fund, which is hereby created, for the exclusive purpose of testing deoxyribonucleic acid (DNA) samples for law enforcement purposes. The moneys in that fund shall be available for expenditure upon appropriation by the Legislature.

(3) Those moneys so designated shall be allocated equally and distributed quarterly to counties that maintain a local DNA testing laboratory. Before making any allocations under this paragraph, the Controller shall deduct the estimated costs that will be incurred to set up and administer the payment of these funds to the counties. Any funds allocated to a county pursuant to this paragraph shall be used by that county for the exclusive purpose of testing DNA samples for law enforcement purposes.

(c) Notwithstanding any other provision of this section, the Department of Corrections or the Department of the Youth Authority may collect a fine imposed pursuant to this section from a person convicted of a violation of any offense listed in subdivision (a) of Section 290, that results in incarceration in a facility under the jurisdiction of the Department of Corrections or the Department of the Youth Authority. All moneys collected by the Department of Corrections or the Department of the Youth Authority under this subdivision shall be transferred, once a month, to the Controller for deposit in the General Fund, as provided in subdivision (a), for transfer by the Controller, as provided in subdivision (b).

(d) *An amount equal to one hundred dollars for every fine imposed pursuant to subdivision (a) in excess of one hundred dollars shall be transferred to the Department of Corrections and Rehabilitation to defray the cost of the global positioning system used to monitor sex offender parolees.*

SEC. 8. Section 311.11 of the Penal Code is amended to read:

311.11. (a) Every person who knowingly possesses or controls any matter, representation of information, data, or image, including, but not limited to, any film, filmstrip, photograph, negative, slide, photocopy, videotape, video laser disc, computer hardware, computer software, computer floppy disc, data storage media, CD-ROM, or computer-generated equipment or any other computer-



generated image that contains or incorporates in any manner, any film or filmstrip, the production of which involves the use of a person under the age of 18 years, knowing that the matter depicts a person under the age of 18 years personally engaging in or simulating sexual conduct, as defined in subdivision (d) of Section 311.4, is guilty of a ~~public offense~~ *felony* and shall be punished by imprisonment in the *state prison, or a county jail* for up to one year, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both the fine and imprisonment.

(b) ~~If a~~ *Every person who commits a violation of subdivision (a), and who has been previously convicted of a violation of this section, or of a violation of subdivision (b) of Section 311.2, or subdivision (b) of Section 311.4, he or she an offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, or an attempt to commit any of the above-mentioned offenses, is guilty of a felony and shall be punished by imprisonment in the state prison for two, four, or six years.*

(c) It is not necessary to prove that the matter is obscene in order to establish a violation of this section.

(d) This section does not apply to drawings, figurines, statues, or any film rated by the Motion Picture Association of America, nor does it apply to live or recorded telephone messages when transmitted, disseminated, or distributed as part of a commercial transaction.

SEC. 9. Section 667.5 of the Penal Code is amended to read:

667.5. Enhancement of prison terms for new offenses because of prior prison terms shall be imposed as follows:

(a) Where one of the new offenses is one of the violent felonies specified in subdivision (c), in addition to and consecutive to any other prison terms therefor, the court shall impose a three-year term for each prior separate prison term served by the defendant where the prior offense was one of the violent felonies specified in subdivision (c). However, no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(b) Except where subdivision (a) applies, where the new offense is any felony for which a prison sentence is imposed, in addition and consecutive to any other prison terms therefor, the court shall impose a one-year term for each prior separate prison term served for any felony; provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of five years in which the defendant remained free of both prison custody and the commission of an offense which results in a felony conviction.

(c) For the purpose of this section, "violent felony" shall mean any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape as defined in paragraph (2) or (6) of subdivision (a) of Section 261 or paragraph (1) or (4) of subdivision (a) of Section 262.

(4) ~~Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person as defined in subdivision (c) or (d) of Section 286.~~

(5) ~~Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person as defined in subdivision (c) or (d) of Section 288a.~~

(6) ~~Lewd acts on a child under the age of 14 years or lascivious act~~ as defined in *subdivision (a) or (b)* of Section 288.

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7, 12022.8, or 12022.9 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in *subdivision (a) of Section 12022.3, or Section 12022.5 or 12022.55.*

(9) Any robbery.

(10) Arson, in violation of subdivision (a) or (b) of Section 451.

(11) ~~The offense Sexual penetration as defined in subdivision (a) or (j) of Section 289 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.~~

(12) Attempted murder.

(13) A violation of Section 12308, 12309, or 12310.

(14) Kidnapping.

(15) Assault with the intent to commit ~~mayhem, rape, sodomy, or oral copulation~~ *a specified felony*, in violation of Section 220.

(16) Continuous sexual abuse of a child, in violation of Section 288.5.

(17) Carjacking, as defined in subdivision (a) of Section 215.

(18) ~~★ Rape, spousal rape, or sexual penetration, in concert, in violation of Section 264.1.~~

(19) Extortion, as defined in Section 518, which would constitute a felony violation of Section 186.22 of the Penal Code.

(20) Threats to victims or witnesses, as defined in Section 136.1, which would constitute a felony violation of Section 186.22 of the Penal Code.

(21) Any burglary of the first degree, as defined in subdivision (a) of Section 460, wherein it is charged and proved that another person, other than an accomplice, was present in the residence during the commission of the burglary.

(22) Any violation of Section 12022.53.

(23) A violation of subdivision (b) or (c) of Section 11418. The Legislature finds and declares that these specified crimes merit special consideration when imposing a sentence to display society's condemnation for these extraordinary crimes of violence against the person.

(d) For the purposes of this section, the defendant shall be deemed to remain in prison custody for an offense until the official discharge from custody or until release on parole, whichever first occurs, including any time during which the defendant remains subject to reimprisonment for escape from custody or is reimprisoned on revocation of parole. The additional penalties provided for prior prison terms shall not be imposed unless they are charged and admitted or found true in the action for the new offense.

(e) The additional penalties provided for prior prison terms shall not be imposed for any felony for which the defendant did not serve a prior separate term in state prison.

(f) A prior conviction of a felony shall include a conviction in another jurisdiction for an offense which, if committed in California, is punishable by imprisonment in the state prison if the defendant served one year or more in prison for the offense in the other jurisdiction. A prior conviction of a particular



felony shall include a conviction in another jurisdiction for an offense which includes all of the elements of the particular felony as defined under California law if the defendant served one year or more in prison for the offense in the other jurisdiction.

(g) A prior separate prison term for the purposes of this section shall mean a continuous completed period of prison incarceration imposed for the particular offense alone or in combination with concurrent or consecutive sentences for other crimes, including any reimprisonment on revocation of parole which is not accompanied by a new commitment to prison, and including any reimprisonment after an escape from incarceration.

(h) Serving a prison term includes any confinement time in any state prison or federal penal institution as punishment for commission of an offense, including confinement in a hospital or other institution or facility credited as service of prison time in the jurisdiction of the confinement.

(i) For the purposes of this section, a commitment to the State Department of Mental Health as a mentally disordered sex offender following a conviction of a felony, which commitment exceeds one year in duration, shall be deemed a prior prison term.

(j) For the purposes of this section, when a person subject to the custody, control, and discipline of the Director of Corrections is incarcerated at a facility operated by the Department of the Youth Authority, that incarceration shall be deemed to be a term served in state prison.

(k) Notwithstanding subdivisions (d) and (g) or any other provision of law, where one of the new offenses is committed while the defendant is temporarily removed from prison pursuant to Section 2690 or while the defendant is transferred to a community facility pursuant to Section 3416, 6253, or 6263, or while the defendant is on furlough pursuant to Section 6254, the defendant shall be subject to the full enhancements provided for in this section.

This subdivision shall not apply when a full, separate, and consecutive term is imposed pursuant to any other provision of law.

SEC. 10. Section 667.51 of the Penal Code is amended to read:

667.51. (a) Any person who is ~~found guilty~~ *convicted* of violating Section 288 *or 288.5* shall receive a five-year enhancement for a prior conviction of an offense listed *specified* in subdivision (b); ~~provided that no additional term shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the defendant remained free of both prison custody and the commission of an offense that results in a felony conviction.~~

(b) Section 261, 262, 264.1, 269, 285, 286, 288, 288a, 288.5, or 289, or any offense committed in another jurisdiction that includes all of the elements of any of the offenses ~~set forth~~ *specified* in this subdivision.

(c) ~~Section 261, 264.1, 286, 288, 288a, 288.5, or 289, or any offense committed in another jurisdiction that includes all of the elements of any of the offenses set forth in this subdivision.~~

(d) A violation of Section 288 *or 288.5* by a person who has been previously convicted two or more times of an offense listed *specified* in subdivision (c) ~~is punishable as a felony (b) shall be punished by imprisonment in the state prison for 15 years to life. However, if the two or more prior convictions were for violations of Section 288, this subdivision is applicable only if the current violation or at least one of the prior convictions is for an offense other than a violation of subdivision (a) of Section 288. For purposes of this subdivision, a prior conviction is required to have been for charges brought and tried separately.~~

The provisions of Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply to reduce any minimum term in a state prison imposed pursuant to this section, but that person shall not otherwise be released on parole prior to that time.

SEC. 11. Section 667.6 of the Penal Code is amended to read:

667.6. (a) Any person who is found guilty of violating paragraph (2), (3), (6), or (7) of subdivision (a) of Section 261, paragraph (1), (4), or (5) of subdivision (a) of Section 262, Section 264.1, subdivision (b) of Section 288, Section 288.5 or subdivision (a) of Section 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person *convicted of an offense specified in subdivision (e) and* who has been convicted previously of any of those offenses shall receive a five-year enhancement for each of those prior convictions provided that no enhancement shall be imposed under this subdivision for any conviction occurring prior to a period of 10 years in which the person remained free of both prison custody and the commission of an offense which results in a felony conviction. In addition to the five-year enhancement imposed under this subdivision, the court also may impose a fine not to exceed twenty thousand dollars (\$20,000) for anyone sentenced under these provisions. The fine imposed and collected pursuant to this subdivision shall be deposited in the Victim Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs established pursuant to Section 13837.

(b) Any person *who is* convicted of an offense specified in subdivision (a) (e) *and* who has served two or more prior prison terms as defined in Section 667.5 for any offense specified in subdivision (a), *of those offenses* shall receive a 10-year enhancement for each of those prior terms provided that no additional enhancement shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the person remained free of both prison custody and the commission of an offense which results in a felony conviction. In addition to the 10-year enhancement imposed under this subdivision, the court also may impose a fine not to exceed twenty thousand dollars (\$20,000) for any person sentenced under this subdivision. The fine imposed and collected pursuant to this subdivision shall be deposited in the Victim Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs established pursuant to Section 13837.

(c) In lieu of the term provided in Section 1170.1, a full, separate, and consecutive term may be imposed for each violation of Section 220, other than an assault with intent to commit mayhem, provided that the person has been convicted previously of violating Section 220 for an offense other than an assault with intent to commit mayhem, paragraph (2), (3), (6), or (7) of subdivision (a) of Section 261, paragraph (1), (4), or (5) of subdivision (a) of Section 262, Section 264.1, subdivision (b) of Section 288, Section 288.5 or subdivision (a) of Section 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful

~~bodily injury on the victim or another person whether or not the crimes were committed during a single transaction an offense specified in subdivision (e) if the crimes involve the same victim on the same occasion. A term may be imposed consecutively pursuant to this subdivision if a person is convicted of at least one offense specified in subdivision (e).~~ If the term is imposed consecutively pursuant to this subdivision, it shall be served consecutively to any other term of imprisonment, and shall commence from the time the person otherwise would have been released from imprisonment. The term shall not be included in any determination pursuant to Section 1170.1. Any other term imposed subsequent to that term shall not be merged therein but shall commence at the time the person otherwise would have been released from prison.

(d) A full, separate, and consecutive term shall be served *imposed* for each violation of Section 220, ~~other than an assault with intent to commit mayhem, provided that the person has been convicted previously of violating Section 220 for an offense other than an assault with intent to commit mayhem, paragraph (2), (3), (6), or (7) of subdivision (a) of Section 261, paragraph (1), (4), or (5) of subdivision (a) of Section 262, Section 264.1, subdivision (b) of Section 288, subdivision (a) of Section 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person an offense specified in subdivision (e) if the crimes involve separate victims or involve the same victim on separate occasions.~~

In determining whether crimes against a single victim were committed on separate occasions under this subdivision, the court shall consider whether, between the commission of one sex crime and another, the defendant had a reasonable opportunity to reflect upon his or her actions and nevertheless resumed sexually assaultive behavior. Neither the duration of time between crimes, nor whether or not the defendant lost or abandoned his or her opportunity to attack, shall be, in and of itself, determinative on the issue of whether the crimes in question occurred on separate occasions.

The term shall be served consecutively to any other term of imprisonment and shall commence from the time the person otherwise would have been released from imprisonment. The term shall not be included in any determination pursuant to Section 1170.1. Any other term imposed subsequent to that term shall not be merged therein but shall commence at the time the person otherwise would have been released from prison.

(e) *This section shall apply to the following offenses:*

(1) *Rape, in violation of paragraph (2), (3), (6), or (7) of subdivision (a) of Section 261.*

(2) *Spousal rape, in violation of paragraph (1), (4), or (5) of subdivision (a) of Section 262.*

(3) *Rape, spousal rape, or sexual penetration, in concert, in violation of Section 264.1.*

(4) *Sodomy, in violation of paragraph (2) or (3) of subdivision (c), or subdivision (d) or (k), of Section 286.*

(5) *Lewd or lascivious act, in violation of subdivision (b) of Section 288.*

(6) *Continuous sexual abuse of a child, in violation of Section 288.5.*

(7) *Oral copulation, in violation of paragraph (2) or (3) of subdivision (c), or subdivision (d) or (k), of Section 288a.*

(8) *Sexual penetration, in violation of subdivision (a) or (g) of Section 289.*

(9) *As a present offense under subdivision (c) or (d), assault with intent to commit a specified sexual offense, in violation of Section 220.*

(10) *As a prior conviction under subdivision (a) or (b), an offense committed in another jurisdiction that includes all of the elements of an offense specified in this subdivision.*

(f) *In addition to any enhancement imposed pursuant to subdivision (a) or (b), the court may also impose a fine not to exceed twenty thousand dollars (\$20,000) for anyone sentenced under those provisions. The fine imposed and collected pursuant to this subdivision shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs established pursuant to Section 13837. If the court orders a fine to be imposed pursuant to this subdivision (a) or (b), the actual administrative cost of collecting that fine, not to exceed 2 percent of the total amount paid, may be paid into the general fund of the county treasury for the use and benefit of the county.*

SEC. 12. Section 667.61 of the Penal Code is amended to read:

667.61. (a) ~~Any~~ *Any person who is convicted of an offense specified in subdivision (c) under one or more of the circumstances specified in subdivision (d) or under two or more of the circumstances specified in subdivision (e) shall be punished by imprisonment in the state prison for 25 years to life and shall not be eligible for release on parole for 25 years except as provided in subdivision (j).*

(b) *Except as provided in subdivision (a), a any person who is convicted of an offense specified in subdivision (c) under one of the circumstances specified in subdivision (e) shall be punished by imprisonment in the state prison for 15 years to life and shall not be eligible for release on parole for 15 years except as provided in subdivision (j).*

(c) This section shall apply to any of the following offenses:

(1) ~~Any~~ *Rape, in violation of paragraph (2) or (6) of subdivision (a) of Section 261.*

(2) ~~Any~~ *Spousal rape, in violation of paragraph (1) or (4) of subdivision (a) of Section 262.*

(3) ~~Any~~ *Rape, spousal rape, or sexual penetration, in concert, in violation of Section 264.1.*

(4) ~~Any~~ *Lewd or lascivious act, in violation of subdivision (b) of Section 288.*

(5) ~~Any~~ *Sexual penetration, in violation of subdivision (a) of Section 289.*

(6) ~~Sodomy or oral copulation~~ *Sodomy, in violation of paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.*

(7) ~~Any~~ *Oral copulation, in violation of paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 288a.*

(8) ~~Lewd or lascivious act, in violation of subdivision (a) of Section 288; unless the defendant qualifies for probation under subdivision (c) of Section 1203.066.~~

(9) *Continuous sexual abuse of a child, in violation of Section 288.5.*

(d) The following circumstances shall apply to the offenses specified in subdivision (c):

(1) The defendant has been previously convicted of an offense specified in subdivision (c), including an offense committed in another jurisdiction that includes all of the elements of an offense specified in subdivision (c).

(2) The defendant kidnapped the victim of the present offense and the movement of the victim substantially increased the risk of harm to the victim over and above that level of risk necessarily inherent in the underlying offense in subdivision (c).

(3) The defendant inflicted aggravated mayhem or torture on the victim or another person in the commission of the present offense in violation of Section 205 or 206.

(4) The defendant committed the present offense during the commission of a burglary *of the first degree*, as defined in subdivision (a) of Section 460, with intent to commit an offense specified in subdivision (c).

(5) *The defendant committed the present offense in violation of Section 264.1, subdivision (d) of Section 286, or subdivision (d) of Section 288a, and, in the commission of that offense, any person committed any act described in paragraph (2), (3), or (4) of this subdivision.*

(e) The following circumstances shall apply to the offenses specified in subdivision (c):

(1) Except as provided in paragraph (2) of subdivision (d), the defendant kidnapped the victim of the present offense in violation of Section 207, 209, or 209.5.

(2) Except as provided in paragraph (4) of subdivision (d), the defendant committed the present offense during the commission of a burglary, ~~as defined in subdivision (a) of Section 460, or during the commission of a burglary of a building, including any commercial establishment, which was then closed to the public,~~ in violation of Section 459.

(3) The defendant personally inflicted great bodily injury on the victim or another person in the commission of the present offense in violation of Section 12022.53, 12022.7, or 12022.8.

(4) The defendant personally used a dangerous or deadly weapon or a firearm in the commission of the present offense in violation of Section 12022, 12022.3, 12022.5, or 12022.53.

(5) The defendant has been convicted in the present case or cases of committing an offense specified in subdivision (c) against more than one victim.

(6) The defendant engaged in the tying or binding of the victim or another person in the commission of the present offense.

(7) The defendant administered a controlled substance to the victim ~~by force, violence, or fear~~ in the commission of the present offense in violation of Section 12022.75.

(8) *The defendant committed the present offense in violation of Section 264.1, subdivision (d) of Section 286, or subdivision (d) of Section 288a, and, in the commission of that offense, any person committed any act described in paragraph (1), (2), (3), (4), (6), or (7) of this subdivision.*

(f) If only the minimum number of circumstances specified in subdivision (d) or (e) ~~which that~~ are required for the punishment provided in subdivision (a) or (b) to apply have been pled and proved, that circumstance or those circumstances shall be used as the basis for imposing the term provided in subdivision (a) or (b), *whichever is greater*, rather than being used to impose the punishment authorized under any other *provision of law*, unless another *provision of law* provides for a greater penalty *or the punishment under another provision of law can be imposed in addition to the punishment provided by this section*. However, if any additional circumstance or circumstances specified in subdivision (d) or (e) have been pled and proved, the minimum number of circumstances shall

be used as the basis for imposing the term provided in subdivision (a), and any other additional circumstance or circumstances shall be used to impose any punishment or enhancement authorized under any other *provision of law*.

(g) Notwithstanding *Section 1385 or any other provision of law*, the court shall not strike any *allegation, admission, or finding of any of the circumstances specified in subdivision (d) or (e) for any person who is subject to punishment under this section*.

~~(g) The term specified in subdivision (a) or (b) shall be imposed on the defendant once for any offense or offenses committed against a single victim during a single occasion. If there are multiple victims during a single occasion, the term specified in subdivision (a) or (b) shall be imposed on the defendant once for each separate victim. Terms for other offenses committed during a single occasion shall be imposed as authorized under any other law, including Section 667.6, if applicable.~~

~~(h) Probation Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person who is subject to punishment under this section for any offense specified in paragraphs (1) to (6), inclusive, of subdivision (c).~~

~~(i) For the any offense specified in paragraphs (1) to (7), inclusive, of subdivision (c), the court shall impose a consecutive sentence for each offense that results in a conviction under this section if the crimes involve separate victims or involve the same victim on separate occasions as defined in subdivision (d) of Section 667.6.~~

~~(j) The penalties provided in this section to shall apply; only if the existence of any fact required under circumstance specified in subdivision (d) or (e) shall be is alleged in the accusatory pleading pursuant to this section, and is either admitted by the defendant in open court or found to be true by the trier of fact.~~

~~(j) Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply to reduce the minimum term of 25 years in the state prison imposed pursuant to subdivision (a) or 15 years in the state prison imposed pursuant to subdivision (b). However, in no case shall the minimum term of 25 or 15 years be reduced by more than 15 percent for credits granted pursuant to Section 2933, 4019, or any other law providing for conduct credit reduction. In no case shall any person who is punished under this section be released on parole prior to serving at least 85 percent of the minimum term of 25 or 15 years in the state prison.~~

SEC. 13. Section 667.71 of the Penal Code amended to read:

667.71. (a) For the purpose of this section, a habitual sexual offender is a person who has been previously convicted of one or more of the offenses listed *specified* in subdivision (c) and who is convicted in the present proceeding of one of those offenses.

~~(b) A habitual sexual offender is punishable shall be punished by imprisonment in the state prison for 25 years to life. Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply to reduce any minimum term of 25 years in the state prison imposed pursuant to this section. However, in no case shall the minimum term of 25 years be reduced by more than 15 percent for credits granted pursuant to Section 2933, 4019, or any other law providing for conduct credit reduction. In no case shall any person who is punished under this section be released on parole prior to serving at least 85 percent of the minimum term of 25 years in the state prison.~~

(c) This section shall apply to any of the following offenses:



(1) ~~★ Rape, in violation of paragraph (2) or (6) of subdivision (a) of Section 261.~~

(2) ~~★ Spousal rape, in violation of paragraph (1) or (4) of subdivision (a) of Section 262.~~

(3) ~~★ Rape, spousal rape, or sexual penetration, in concert, in violation of Section 264.1.~~

(4) ~~★ Lewd or lascivious act, in violation of subdivision (a) or (b) of Section 288.~~

(5) ~~★ Sexual penetration, in violation of subdivision (a) or (j) of Section 289.~~

(6) ~~★ Continuous sexual abuse of a child, in violation of Section 288.5.~~

(7) ~~★ Sodomy, in violation of subdivision (c) or (d) of Section 286 by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.~~

(8) ~~★ A violation of subdivision (d) of Section 286.~~

(9) ~~★ Oral copulation, in violation of subdivision (c) or (d) of Section 288a by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.~~

(10) ~~★ (9) Kidnapping, in violation of subdivision (b) of Section 207.~~

(11) ~~★ (10) Kidnapping, in violation of former subdivision (d) of Section 208 (kidnapping to commit specified sex offenses).~~

(12) ~~(11) Kidnapping, in violation of subdivision (b) of Section 209 with the intent to commit rape, spousal rape, oral copulation, or sodomy or sexual penetration in violation of Section 289 a specified sexual offense.~~

(13) ~~★ (12) Aggravated sexual assault of a child, in violation of Section 269.~~

(14) ~~(13) An offense committed in another jurisdiction that has includes all of the elements of an offense specified in paragraphs (1) to (13), inclusive, of this subdivision.~~

~~(d) Notwithstanding Section 1385 or any other provision of law, the court shall not strike any allegation, admission, or finding of any prior conviction specified in subdivision (c) for any person who is subject to punishment under this section.~~

~~(e) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person who is subject to punishment under this section.~~

~~(f) This section shall apply only if the defendant's status as a habitual sexual offender is alleged in the information accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by a plea of guilty or nolo contendere or by trial by court sitting without a jury trier of fact.~~

SEC. 14. Section 1203.06 of the Penal Code is amended to read:

1203.06. ~~Notwithstanding Section 1203:~~

~~(a) Probation Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, nor shall a finding bringing the defendant within this section be stricken pursuant to Section 1385 for, any of the following persons:~~

~~(1) Any person who personally used a firearm during the commission or attempted commission of any of the following crimes:~~

~~(A) Murder.~~

~~(B) Robbery, in violation of Section 211.~~

~~(C) Kidnapping, in violation of Section 207, 209, or 209.5.~~

~~(D) Kidnapping in violation of Section 209 Lewd or lascivious act, in violation of Section 288.~~

(E) Burglary of the first degree, as defined in Section 460.

~~(F) Except as provided in Section 1203.065, rape Rape, in violation of paragraph (2) of subdivision (a) of Section 261, 262, or 264.1.~~

(G) Assault with intent to commit rape or sodomy a specified sexual offense, in violation of Section 220.

(H) Escape, in violation of Section 4530 or 4532.

(I) Carjacking, in violation of Section 215.

~~(J) Any person convicted of aggravated Aggravated mayhem, in violation of Section 205.~~

(K) Torture, in violation of Section 206.

~~(L) Kidnapping, in violation of Section 209.5 Continuous sexual abuse of a child, in violation of Section 288.5.~~

(M) A felony violation of Section 136.1 or 137.

(N) Sodomy, in violation of Section 286.

(O) Oral copulation, in violation of Section 288a.

(P) Sexual penetration, in violation of Section 289 or 264.1.

~~(Q) Aggravated sexual assault of a child, in violation of Section 269.~~

~~(A) to (L), inclusive, of paragraph (1), or assault with intent to commit murder under former Section 217, who is convicted of a subsequent felony and who was personally armed with a firearm at any time during its commission or attempted commission or was unlawfully armed with a firearm at the time of his or her arrest for the subsequent felony.~~

(3) Aggravated arson, in violation of Section 451.5.

(b) (1) The existence of any fact which that would make a person ineligible for probation under subdivision (a) shall be alleged in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt, by the court where guilt is established by plea of guilty or nolo contendere, or by trial by the court sitting without a jury trier of fact.

~~(2) This subdivision does not prohibit the adjournment of criminal proceedings pursuant to Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.~~

~~(3) As used in subdivision (a), "used a firearm" means to display a firearm in a menacing manner, to intentionally fire it, or to intentionally strike or hit a human being with it, or to use it in any manner that qualifies under Section 12022.5.~~

~~(4) (3) As used in subdivision (a), "armed with a firearm" means to knowingly carry or have available for use a firearm as a means of offense or defense.~~

SEC. 15. Section 1203.065 of the Penal Code is amended to read:

1203.065. (a) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person who is convicted of violating paragraph (2) or (6) of subdivision (a) of Section 261, Section 264.1, 266h, 266i, or 266j, or 269, paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 286, paragraph (2) or (3) of subdivision (c), or subdivision (d), of Section 288a, subdivision (a) of Section 289, of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace, or fear of immediate and unlawful



bodily injury on the victim or another person, or of violating subdivision (c) of Section 311.4.

(b) (1) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any person who is convicted of a violation of *violating* paragraph (7) of subdivision (a) of Section 261, subdivision (k) of Section 286, subdivision (k) of Section 288a, *subdivision (g) of Section 289*, or Section 220 for assault with intent to commit any of the following: rape, sodomy, oral copulation, or any violation of Section 264.1, subdivision (b) of Section 288, or Section 289 *a specified sexual offense*.

(2) When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

SEC. 16. Section 1203.075 of the Penal Code is amended to read:

1203.075. ~~Notwithstanding the provisions of Section 1203:~~

(a) ~~Probation Notwithstanding any other provision of law, probation~~ shall not be granted to, nor shall the execution or imposition of sentence be suspended for, nor shall a finding bringing the defendant within this section be stricken pursuant to Section 1385 for, any person who, ~~with the intent to inflict the injury, personally inflicts great bodily injury, as defined in Section 12022.7, on the person of another in the commission or attempted commission of any of the following crimes:~~

- (1) Murder.
- (2) Robbery, in violation of Section 211.
- (3) Kidnapping, in violation of Section 207, 209, or 209.5.
- (4) ~~Kidnapping, in violation of Section 209 Lewd or lascivious act, in violation of Section 288.~~
- (5) Burglary of the first degree, as defined in Section 460.
- (6) Rape, in violation of paragraph (2) or (6) of subdivision (a) of Section 261 or paragraph (1) or (4) of subdivision (a) of Section 261, 262, or 264.1.
- (7) Assault with intent to commit rape or sodomy *a specified sexual offense*, in violation of Section 220.
- (8) Escape, in violation of Section 4530 or 4532.
- (9) ~~A Sexual penetration, in violation of subdivision (a) of Section 289 or 264.1.~~
- (10) Sodomy, in violation of Section 286.
- (11) Oral copulation, in violation of Section 288a.
- (12) Carjacking, in violation of Section 215.
- (13) ~~Kidnapping, in violation of Section 209.5 Continuous sexual abuse of a child, in violation of Section 288.5.~~
- (14) *Aggravated sexual assault of a child, in violation of Section 269.*

(b) (†) The existence of any fact ~~which that~~ would make a person ineligible for probation under subdivision (a) shall be alleged in the accusatory pleading, and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by a plea of guilty or nolo contendere or by a trial by the court sitting without a jury *trier of fact*.

(2) This subdivision does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(3) ~~As used in subdivision (a), “great bodily injury” means “great bodily injury” as defined in Section 12022.7.~~

SEC. 17. Section 3000 of the Penal Code is amended to read:

3000. (a) (1) The Legislature finds and declares that the period immediately following incarceration is critical to successful reintegration of the offender into society and to positive citizenship. It is in the interest of public safety for the state to provide for the supervision of and surveillance of parolees, including the judicious use of revocation actions, and to provide educational, vocational, family and personal counseling necessary to assist parolees in the transition between imprisonment and discharge. A sentence pursuant to Section 1168 or 1170 shall include a period of parole, unless waived, as provided in this section.

(2) The Legislature finds and declares that it is not the intent of this section to diminish resources allocated to the Department of Corrections for parole functions for which the department is responsible. It is also not the intent of this section to diminish the resources allocated to the Board of Prison Terms to execute its duties with respect to parole functions for which the board is responsible.

(3) The Legislature finds and declares that diligent effort must be made to ensure that parolees are held accountable for their criminal behavior, including, but not limited to, the satisfaction of restitution fines and orders.

~~(4) Any finding made pursuant to Article 4 (commencing with Section 6600) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, that a person is *The parole period of any person found to be a sexually violent predator shall not toll, discharge, or otherwise affect that person’s be tolled until that person is found to no longer be a sexually violent predator, at which time the period of parole, or any remaining portion thereof, shall begin to run.*~~

(b) Notwithstanding any provision to the contrary in Article 3 (commencing with Section 3040) of this chapter, the following shall apply:

(1) At the expiration of a term of imprisonment of one year and one day, or a term of imprisonment imposed pursuant to Section 1170 or at the expiration of a term reduced pursuant to Section 2931 or 2933, if applicable, the inmate shall be released on parole for a period not exceeding three years, except that any inmate sentenced for an offense specified in paragraph (3), (4), (5), (6), (11), (16), or (18) of subdivision (c) of Section 667.5 shall be released on parole for a period not exceeding five years, unless in either case the parole authority for good cause waives parole and discharges the inmate from the custody of the department.

(2) In the case of any inmate sentenced under Section 1168, the period of parole shall not exceed five years in the case of an inmate imprisoned for any offense other than first or second degree murder for which the inmate has received a life sentence, and shall not exceed three years in the case of any other inmate, unless in either case the parole authority for good cause waives parole and discharges the inmate from custody of the department. This subdivision shall also be applicable to inmates who committed crimes prior to July 1, 1977, to the extent specified in Section 1170.2.

(3) Notwithstanding paragraphs (1) and (2), in the case of any offense for which the inmate has received a life sentence pursuant to Section 667.61 or 667.71, the period of parole shall be five *10* years. ~~Upon the request of the Department of Corrections, and on the grounds that the paroled inmate may pose a substantial danger to public safety, the Board of Prison Terms shall conduct a hearing to determine if the parolee shall be subject to a single additional five-year period of parole. The board shall conduct the hearing pursuant to the~~

procedures and standards governing parole revocation. The request for parole extension shall be made no less than 180 days prior to the expiration of the initial five-year period of parole.

(4) The parole authority shall consider the request of any inmate regarding the length of his or her parole and the conditions thereof.

(5) Upon successful completion of parole, or at the end of the maximum statutory period of parole specified for the inmate under paragraph (1), (2), or (3), as the case may be, whichever is earlier, the inmate shall be discharged from custody. The date of the maximum statutory period of parole under this subdivision and paragraphs (1), (2), and (3) shall be computed from the date of initial parole or from the date of extension of parole pursuant to paragraph (3) and shall be a period chronologically determined. Time during which parole is suspended because the prisoner has absconded or has been returned to custody as a parole violator shall not be credited toward any period of parole unless the prisoner is found not guilty of the parole violation. However, ~~in no case, except~~ *the period of parole is subject to the following:*

(A) *Except as provided in Section 3064, in no case may a prisoner subject to three years on parole be retained under parole supervision or in custody for a period longer than four years from the date of his or her initial parole, and, except parole.*

(B) *Except as provided in Section 3064, in no case may a prisoner subject to five years on parole be retained under parole supervision or in custody for a period longer than seven years from the date of his or her initial parole or from the date of extension of parole pursuant to paragraph (3).*

(C) *Except as provided in Section 3064, in no case may a prisoner subject to 10 years on parole be retained under parole supervision or in custody for a period longer than 15 years from the date of his or her initial parole.*

(6) The Department of Corrections shall meet with each inmate at least 30 days prior to his or her good time release date and shall provide, under guidelines specified by the parole authority, the conditions of parole and the length of parole up to the maximum period of time provided by law. The inmate has the right to reconsideration of the length of parole and conditions thereof by the parole authority. The Department of Corrections or the Board of Prison Terms may impose as a condition of parole that a prisoner make payments on the prisoner's outstanding restitution fines or orders imposed pursuant to subdivision (a) or (c) of Section 13967 of the Government Code, as operative prior to September 28, 1994, or subdivision (b) or (f) of Section 1202.4.

(7) For purposes of this chapter, the Board of Prison Terms shall be considered the parole authority.

(8) The sole authority to issue warrants for the return to actual custody of any state prisoner released on parole rests with the Board of Prison Terms, except for any escaped state prisoner or any state prisoner released prior to his or her scheduled release date who should be returned to custody, and Section 3060 shall apply.

(9) It is the intent of the Legislature that efforts be made with respect to persons who are subject to subparagraph (C) of paragraph (1) of subdivision (a) of Section 290 who are on parole to engage them in treatment.

SEC. 18. Section 3000.07 is added to the Penal Code, to read:

3000.07. (a) *Every inmate who has been convicted for any felony violation of a "registerable sex offense" described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290 or any attempt to commit any of the above-*

*mentioned offenses and who is committed to prison and released on parole pursuant to Section 3000 or 3000.1 shall be monitored by a global positioning system for the term of his or her parole, or for the duration or any remaining part thereof, whichever period of time is less.*

*(b) Any inmate released on parole pursuant to this section shall be required to pay for the costs associated with the monitoring by a global positioning system. However, the Department of Corrections shall waive any or all of that payment upon a finding of an inability to pay. The department shall consider any remaining amounts the inmate has been ordered to pay in fines, assessments and restitution fines, fees, and orders, and shall give priority to the payment of those items before requiring that the inmate pay for the global positioning monitoring. No inmate shall be denied parole on the basis of his or her inability to pay for those monitoring costs.*

SEC. 19. Section 3001 of the Penal Code is amended to read:

3001. (a) Notwithstanding any other provision of law, when any person referred to in paragraph (1) of subdivision (b) of Section 3000 who was not imprisoned for committing a violent felony, as defined in subdivision (c) of Section 667.5, has been released on parole from the state prison, and has been on parole continuously for one year since release from confinement, within 30 days, that person shall be discharged from parole, unless the Department of Corrections recommends to the Board of Prison Terms that the person be retained on parole and the board, for good cause, determines that the person will be retained. Notwithstanding any other provision of law, when any person referred to in paragraph (1) of subdivision (b) of Section 3000 who was imprisoned for committing a violent felony, as defined in subdivision (c) of Section 667.5, has been released on parole from the state prison for a period not exceeding three years and has been on parole continuously for two years since release from confinement, or has been released on parole from the state prison for a period not exceeding five years and has been on parole continuously for three years since release from confinement, the department shall discharge, within 30 days, that person from parole, unless the department recommends to the board that the person be retained on parole and the board, for good cause, determines that the person will be retained. The board shall make a written record of its determination and the department shall transmit a copy thereof to the parolee.

(b) Notwithstanding any other provision of law, when any person referred to in paragraph (2) ~~or (3)~~ of subdivision (b) of Section 3000 has been released on parole from the state prison, and has been on parole continuously for three years since release from confinement ~~or since extension of parole~~, the board shall discharge, within 30 days, the person from parole, unless the board, for good cause, determines that the person will be retained on parole. The board shall make a written record of its determination and the department shall transmit a copy thereof to the parolee.

(c) *Notwithstanding any other provision of law, when any person referred to in paragraph (3) of subdivision (b) of Section 3000 has been released on parole from the state prison, and has been on parole continuously for six years since release from confinement, the board shall discharge, within 30 days, the person from parole, unless the board, for good cause, determines that the person will be retained on parole. The board shall make a written record of its determination and the department shall transmit a copy thereof to the parolee.*

(d) In the event of a retention on parole, the parolee shall be entitled to a review by the parole authority each year thereafter until the maximum statutory period of parole has expired.

(d) (e) The amendments to this section made during the 1987–88 Regular Session of the Legislature shall only be applied prospectively and shall not extend the parole period for any person whose eligibility for discharge from parole was fixed as of the effective date of those amendments.

SEC. 20. Section 3003 of the Penal Code is amended to read:

3003. (a) Except as otherwise provided in this section, an inmate who is released on parole shall be returned to the county that was the last legal residence of the inmate prior to his or her incarceration.

For purposes of this subdivision, “last legal residence” shall not be construed to mean the county wherein the inmate committed an offense while confined in a state prison or local jail facility or while confined for treatment in a state hospital.

(b) Notwithstanding subdivision (a), an inmate may be returned to another county if that would be in the best interests of the public. If the Board of Prison Terms setting the conditions of parole for inmates sentenced pursuant to subdivision (b) of Section 1168, as determined by the parole consideration panel, or the Department of Corrections setting the conditions of parole for inmates sentenced pursuant to Section 1170, decides on a return to another county, it shall place its reasons in writing in the parolee’s permanent record and include these reasons in the notice to the sheriff or chief of police pursuant to Section 3058.6. In making its decision, the paroling authority shall consider, among others, the following factors, giving the greatest weight to the protection of the victim and the safety of the community:

(1) The need to protect the life or safety of a victim, the parolee, a witness, or any other person.

(2) Public concern that would reduce the chance that the inmate’s parole would be successfully completed.

(3) The verified existence of a work offer, or an educational or vocational training program.

(4) The existence of family in another county with whom the inmate has maintained strong ties and whose support would increase the chance that the inmate’s parole would be successfully completed.

(5) The lack of necessary outpatient treatment programs for parolees receiving treatment pursuant to Section 2960.

(c) The Department of Corrections, in determining an out-of-county commitment, shall give priority to the safety of the community and any witnesses and victims.

(d) In making its decision about an inmate who participated in a joint venture program pursuant to Article 1.5 (commencing with Section 2717.1) of Chapter 5, the paroling authority shall give serious consideration to releasing him or her to the county where the joint venture program employer is located if that employer states to the paroling authority that he or she intends to employ the inmate upon release.

(e) (1) The following information, if available, shall be released by the Department of Corrections to local law enforcement agencies regarding a paroled inmate who is released in their jurisdictions:

(A) Last, first, and middle name.

(B) Birth date.

(C) Sex, race, height, weight, and hair and eye color.

(D) Date of parole and discharge.

(E) Registration status, if the inmate is required to register as a result of a controlled substance, sex, or arson offense.

(F) California Criminal Information Number, FBI number, social security number, and driver's license number.

(G) County of commitment.

(H) A description of scars, marks, and tattoos on the inmate.

(I) Offense or offenses for which the inmate was convicted that resulted in parole in this instance.

(J) Address, including all of the following information:

(i) Street name and number. Post office box numbers are not acceptable for purposes of this subparagraph.

(ii) City and ZIP Code.

(iii) Date that the address provided pursuant to this subparagraph was proposed to be effective.

(K) Contact officer and unit, including all of the following information:

(i) Name and telephone number of each contact officer.

(ii) Contact unit type of each contact officer such as units responsible for parole, registration, or county probation.

(L) A digitized image of the photograph and at least a single digit fingerprint of the parolee.

(M) A geographic coordinate for the parolee's residence location for use with a Geographical Information System (GIS) or comparable computer program.

(2) The information required by this subdivision shall come from the statewide parolee database. The information obtained from each source shall be based on the same timeframe.

(3) All of the information required by this subdivision shall be provided utilizing a computer-to-computer transfer in a format usable by a desktop computer system. The transfer of this information shall be continually available to local law enforcement agencies upon request.

(4) The unauthorized release or receipt of the information described in this subdivision is a violation of Section 11143.

(f) Notwithstanding any other provision of law, an inmate who is released on parole shall not be returned to a location within 35 miles of the actual residence of a victim of, or a witness to, a violent felony as defined in paragraphs (1) to (7), inclusive, of subdivision (c) of Section 667.5 or a felony in which the defendant inflicts great bodily injury on any person other than an accomplice that has been charged and proved as provided for in Section 12022.53, 12022.7, or 12022.9, if the victim or witness has requested additional distance in the placement of the inmate on parole, and if the Board of Prison Terms or the Department of Corrections finds that there is a need to protect the life, safety, or well-being of a victim or witness.

~~(g) (1) Notwithstanding any other law, an inmate who is released on parole for any violation of Section 288 or 288.5 shall not be placed or reside, for the duration of his or her period of parole, within one quarter mile of any public or private school, including any or all of kindergarten and grades 1 to 8, inclusive.~~

Notwithstanding any other law, an inmate who is released on parole for a violation of Section 288 or 288.5 whom the Department of Corrections and Rehabilitation determines poses a high risk to the public shall not be placed or reside, for the duration of his or her parole, within one-half mile of any public or private school including any or all of kindergarten and grades 1 to 12, inclusive.

~~(h)~~ Notwithstanding any other law, an inmate who is released on parole for an offense involving stalking shall not be returned to a location within 35 miles



of the victim's actual residence or place of employment if the victim or witness has requested additional distance in the placement of the inmate on parole, and if the Board of Prison Terms or the Department of Corrections finds that there is a need to protect the life, safety, or well-being of the victim.

(†) (h) The authority shall give consideration to the equitable distribution of parolees and the proportion of out-of-county commitments from a county compared to the number of commitments from that county when making parole decisions.

(‡) (i) An inmate may be paroled to another state pursuant to any other law.

(⌘) (j) (1) Except as provided in paragraph (2), the Department of Corrections shall be the agency primarily responsible for, and shall have control over, the program, resources, and staff implementing the Law Enforcement Automated Data System (LEADS) in conformance with subdivision (e).

(2) Notwithstanding paragraph (1), the Department of Justice shall be the agency primarily responsible for the proper release of information under LEADS that relates to fingerprint cards.

SEC. 21. Section 3003.5 of the Penal Code is amended to read:

3003.5. (a) Notwithstanding any other provision of law, when a person is released on parole after having served a term of imprisonment in state prison for any offense for which registration is required pursuant to Section 290, that person may not, during the period of parole, reside in any single family dwelling with any other person also required to register pursuant to Section 290, unless those persons are legally related by blood, marriage, or adoption. For purposes of this section, "single family dwelling" shall not include a residential facility which serves six or fewer persons.

(b) *Notwithstanding any other provision of law, it is unlawful for any person for whom registration is required pursuant to Section 290 to reside within 2000 feet of any public or private school, or park where children regularly gather.*

(c) *Nothing in this section shall prohibit municipal jurisdictions from enacting local ordinances that further restrict the residency of any person for whom registration is required pursuant to Section 290.*

SEC. 22. Section 3004 of the Penal Code is amended to read:

3004. (a) Notwithstanding any other law, the parole authority may require, as a condition of release on parole or reinstatement on parole, or as an intermediate sanction in lieu of return to prison, that an inmate or parolee agree in writing to the use of electronic monitoring or supervising devices for the purpose of helping to verify his or her compliance with all other conditions of parole. The devices shall not be used to eavesdrop or record any conversation, except a conversation between the parolee and the agent supervising the parolee which is to be used solely for the purposes of voice identification.

(b) *Every inmate who has been convicted for any felony violation of a "registerable sex offense" described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290 or any attempt to commit any of the above-mentioned offenses and who is committed to prison and released on parole pursuant to Section 3000 or 3000.1 shall be monitored by a global positioning system for life.*

(c) *Any inmate released on parole pursuant to this section shall be required to pay for the costs associated with the monitoring by a global positioning system. However, the Department of Corrections shall waive any or all of that payment upon a finding of an inability to pay. The department shall consider any remaining amounts the inmate has been ordered to pay in fines, assessments and*

*restitution fines, fees, and orders, and shall give priority to the payment of those items before requiring that the inmate pay for the global positioning monitoring.*

SEC. 23. Section 12022.75 of the Penal Code is amended to read:

12022.75. ~~Any~~ (a) *Except as provided in subdivision (b), any person who, for the purpose of committing a felony, administers by injection, inhalation, ingestion, or any other means, any controlled substance listed in Section 11054, 11055, 11056, 11057, or 11058 of the Health and Safety Code, against the victim's will by means of force, violence, or fear of immediate and unlawful bodily injury to the victim or another person, shall, in addition and consecutive to the penalty provided for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of three years.*

(b) (1) *Any person who, in the commission or attempted commission of any offense specified in paragraph (2), administers any controlled substance listed in Section 11054, 11055, 11056, 11057, or 11058 of the Health and Safety Code to the victim shall be punished by an additional and consecutive term of imprisonment in the state prison for five years.*

(2) *This subdivision shall apply to the following offenses:*

(A) *Rape, in violation of paragraph (3) or (4) of subdivision (a) of Section 261.*

(B) *Sodomy, in violation of subdivision (f) or (i) of Section 286.*

(C) *Oral copulation, in violation of subdivision (f) or (i) of Section 288a.*

(D) *Sexual penetration, in violation of subdivision (d) or (e) of Section 289.*

(E) *Any offense specified in subdivision (c) of Section 667.61.*

SEC. 24. Section 6600 of the Welfare and Institutions Code is amended to read:

6600. As used in this article, the following terms have the following meanings:

(a) (1) "Sexually violent predator" means a person who has been convicted of a sexually violent offense against ~~two~~ one or more victims and who has a diagnosed mental disorder that makes the person a danger to the health and safety of others in that it is likely that he or she will engage in sexually violent criminal behavior.

(2) For purposes of this subdivision any of the following shall be considered a conviction for a sexually violent offense:

(A) A prior or current conviction that resulted in a determinate prison sentence for an offense described in subdivision (b).

(B) A conviction for an offense described in subdivision (b) that was committed prior to July 1, 1977, and that resulted in an indeterminate prison sentence.

(C) A prior conviction in another jurisdiction for an offense that includes all of the elements of an offense described in subdivision (b).

(D) A conviction for an offense under a predecessor statute that includes all of the elements of an offense described in subdivision (b).

(E) A prior conviction for which the inmate received a grant of probation for an offense described in subdivision (b).

(F) A prior finding of not guilty by reason of insanity for an offense described in subdivision (b).

(G) A conviction resulting in a finding that the person was a mentally disordered sex offender.

(H) *A prior conviction for an offense described in subdivision (b) for which the person was committed to the Department of the Youth Authority pursuant to Section 1731.5.*



*(1) A prior conviction for an offense described in subdivision (b) that resulted in an indeterminate prison sentence.*

(3) Conviction of one or more of the crimes enumerated in this section shall constitute evidence that may support a court or jury determination that a person is a sexually violent predator, but shall not be the sole basis for the determination. The existence of any prior convictions may be shown with documentary evidence. The details underlying the commission of an offense that led to a prior conviction, including a predatory relationship with the victim, may be shown by documentary evidence, including, but not limited to, preliminary hearing transcripts, trial transcripts, probation and sentencing reports, and evaluations by the State Department of Mental Health. Jurors shall be admonished that they may not find a person a sexually violent predator based on prior offenses absent relevant evidence of a currently diagnosed mental disorder that makes the person a danger to the health and safety of others in that it is likely that he or she will engage in sexually violent criminal behavior.

(4) The provisions of this section shall apply to any person against whom proceedings were initiated for commitment as a sexually violent predator on or after January 1, 1996.

(b) "Sexually violent offense" means the following acts when committed by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person, or threatening to retaliate in the future against the victim or any other person, and that are committed on, before, or after the effective date of this article and result in a conviction or a finding of not guilty by reason of insanity, as provided defined in subdivision (a): a felony violation of paragraph (2) of subdivision (a) of Section 261, paragraph (1) of subdivision (a) of Section 262, Section 264.1, 269, 286, subdivision (a) or (b) of Section 288, 288a, 288.5, or subdivision (a) of Section 289 of the Penal Code, or sodomy or oral copulation in violation of Section 286 or 288a of the Penal Code any felony violation of Section 207, 209, or 220 of the Penal Code, committed with the intent to commit a violation of Section 261, 262, 264.1, 286, 288, 288a, or 289 of the Penal Code.

(c) "Diagnosed mental disorder" includes a congenital or acquired condition affecting the emotional or volitional capacity that predisposes the person to the commission of criminal sexual acts in a degree constituting the person a menace to the health and safety of others.

(d) "Danger to the health and safety of others" does not require proof of a recent overt act while the offender is in custody.

(e) "Predatory" means an act is directed toward a stranger, a person of casual acquaintance with whom no substantial relationship exists, or an individual with whom a relationship has been established or promoted for the primary purpose of victimization.

(f) "Recent overt act" means any criminal act that manifests a likelihood that the actor may engage in sexually violent predatory criminal behavior.

(g) Notwithstanding any other provision of law and for purposes of this section, no more than one a prior juvenile adjudication of a sexually violent offense may constitute a prior conviction for which the person received a determinate term if all of the following applies apply:

(1) The juvenile was 16 years of age or older at the time he or she committed the prior offense.

(2) The prior offense is a sexually violent offense as specified in subdivision (b). Notwithstanding Section 6600.1, only an offense described in subdivision (b) shall constitute a sexually violent offense for purposes of this subdivision.

(3) The juvenile was adjudged a ward of the juvenile court within the meaning of Section 602 because of the person's commission of the offense giving rise to the juvenile court adjudication.

(4) The juvenile was committed to the Department of the Youth Authority for the sexually violent offense.

(h) A minor adjudged a ward of the court for commission of an offense that is defined as a sexually violent offense shall be entitled to specific treatment as a sexual offender. The failure of a minor to receive that treatment shall not constitute a defense or bar to a determination that any person is a sexually violent predator within the meaning of this article.

SEC. 25. Section 6600.1 of the Welfare and Institutions Code is amended to read:

6600.1. (a) If the victim of an underlying offense that is specified in subdivision (b) of Section 6600 is a child under the age of 14 ~~and the offending act or acts involved substantial sexual conduct~~, the offense shall constitute a "sexually violent offense" for purposes of Section 6600.

(b) ~~"Substantial sexual conduct" means penetration of the vagina or rectum of either the victim or the offender by the penis of the other or by any foreign object, oral copulation, or masturbation of either the victim or the offender.~~

SEC. 26. Section 6601 of the Welfare and Institutions Code is amended to read:

6601. (a) (1) Whenever the Director of Corrections determines that an individual who is in custody under the jurisdiction of the Department of Corrections, and who is either serving a determinate prison sentence or whose parole has been revoked, may be a sexually violent predator, the director shall, at least six months prior to that individual's scheduled date for release from prison, refer the person for evaluation in accordance with this section. However, if the inmate was received by the department with less than nine months of his or her sentence to serve, or if the inmate's release date is modified by judicial or administrative action, the director may refer the person for evaluation in accordance with this section at a date that is less than six months prior to the inmate's scheduled release date.

(2) A petition may be filed under this section if the individual was in custody pursuant to his or her determinate prison term, parole revocation term, or a hold placed pursuant to Section 6601.3, at the time the petition is filed. A petition shall not be dismissed on the basis of a later judicial or administrative determination that the individual's custody was unlawful, if the unlawful custody was the result of a good faith mistake of fact or law. This paragraph shall apply to any petition filed on or after January 1, 1996.

(b) The person shall be screened by the Department of Corrections and the Board of Prison Terms based on whether the person has committed a sexually violent predatory offense and on a review of the person's social, criminal, and institutional history. This screening shall be conducted in accordance with a structured screening instrument developed and updated by the State Department of Mental Health in consultation with the Department of Corrections. If as a result of this screening it is determined that the person is likely to be a sexually violent predator, the Department of Corrections shall refer the person to the State Department of Mental Health for a full evaluation of whether the person meets the criteria in Section 6600.

(c) The State Department of Mental Health shall evaluate the person in accordance with a standardized assessment protocol, developed and updated by

the State Department of Mental Health, to determine whether the person is a sexually violent predator as defined in this article. The standardized assessment protocol shall require assessment of diagnosable mental disorders, as well as various factors known to be associated with the risk of reoffense among sex offenders. Risk factors to be considered shall include criminal and psychosexual history, type, degree, and duration of sexual deviance, and severity of mental disorder.

(d) Pursuant to subdivision (c), the person shall be evaluated by two practicing psychiatrists or psychologists, or one practicing psychiatrist and one practicing psychologist, designated by the Director of Mental Health. If both evaluators concur that the person has a diagnosed mental disorder so that he or she is likely to engage in acts of sexual violence without appropriate treatment and custody, the Director of Mental Health shall forward a request for a petition for commitment under Section 6602 to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment.

(e) If one of the professionals performing the evaluation pursuant to subdivision (d) does not concur that the person meets the criteria specified in subdivision (d), but the other professional concludes that the person meets those criteria, the Director of Mental Health shall arrange for further examination of the person by two independent professionals selected in accordance with subdivision (g).

(f) If an examination by independent professionals pursuant to subdivision (e) is conducted, a petition to request commitment under this article shall only be filed if both independent professionals who evaluate the person pursuant to subdivision (e) concur that the person meets the criteria for commitment specified in subdivision (d). The professionals selected to evaluate the person pursuant to subdivision (g) shall inform the person that the purpose of their examination is not treatment but to determine if the person meets certain criteria to be involuntarily committed pursuant to this article. It is not required that the person appreciate or understand that information.

(g) Any independent professional who is designated by the Director of Corrections or the Director of Mental Health for purposes of this section shall not be a state government employee, shall have at least five years of experience in the diagnosis and treatment of mental disorders, and shall include psychiatrists and licensed psychologists who have a doctoral degree in psychology. The requirements set forth in this section also shall apply to any professionals appointed by the court to evaluate the person for purposes of any other proceedings under this article.

(h) If the State Department of Mental Health determines that the person is a sexually violent predator as defined in this article, the Director of Mental Health shall forward a request for a petition to be filed for commitment under this article to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment in the superior court.

(i) If the county's designated counsel concurs with the recommendation, a petition for commitment shall be filed in the superior court of the county in which the person was convicted of the offense for which he or she was committed to the jurisdiction of the Department of Corrections. The petition shall be filed, and

the proceedings shall be handled, by either the district attorney or the county counsel of that county. The county board of supervisors shall designate either the district attorney or the county counsel to assume responsibility for proceedings under this article.

(j) The time limits set forth in this section shall not apply during the first year that this article is operative.

(k) If the person is otherwise subject to parole, a finding or placement made pursuant to this article shall ~~not toll, discharge, or otherwise affect~~ the term of parole pursuant to Article 1 (commencing with Section 3000) of Chapter 8 of Title 1 of Part 3 of the Penal Code.

(l) Pursuant to subdivision (d), the attorney designated by the county pursuant to subdivision (i) shall notify the State Department of Mental Health of its decision regarding the filing of a petition for commitment within 15 days of making that decision.

SEC. 27. Section 6604 of the Welfare and Institutions Code is amended to read:

6604. The court or jury shall determine whether, beyond a reasonable doubt, the person is a sexually violent predator. If the court or jury is not satisfied beyond a reasonable doubt that the person is a sexually violent predator, the court shall direct that the person be released at the conclusion of the term for which he or she was initially sentenced, or that the person be unconditionally released at the end of parole, whichever is applicable. If the court or jury determines that the person is a sexually violent predator, the person shall be committed for ~~two years~~ *an indeterminate term* to the custody of the State Department of Mental Health for appropriate treatment and confinement in a secure facility designated by the Director of Mental Health, ~~and the person shall not be kept in actual custody longer than two years unless a subsequent extended commitment is obtained from the court incident to the filing of a petition for extended commitment under this article or unless the term of commitment changes pursuant to subdivision (e) of Section 6605. Time spent on conditional release shall not count toward the two-year term of commitment, unless the person is placed in a locked facility by the conditional release program, in which case the time in a locked facility shall count toward the two-year term of commitment. The facility shall be located on the grounds of an institution under the jurisdiction of the Department of Corrections.~~

SEC. 28. Section 6604.1 of the Welfare and Institutions Code is amended to read:

6604.1. (a) The ~~two-year indeterminate~~ term of commitment provided for in Section 6604 shall commence on the date upon which the court issues the initial order of commitment pursuant to that section. ~~The initial two-year term shall not be reduced by any time spent in a secure facility prior to the order of commitment. For any subsequent extended commitments, the term of commitment shall be for two years commencing from the date of the termination of the previous commitment.~~

(b) The person shall be evaluated by two practicing psychologists or psychiatrists, or by one practicing psychologist and one practicing psychiatrist, designated by the State Department of Mental Health. The provisions of subdivisions (c) to (i), inclusive, of Section 6601 shall apply to evaluations performed for purposes of extended commitments. The rights, requirements, and procedures set forth in Section 6603 shall apply to ~~extended~~ *all* commitment proceedings.

SEC. 29. Section 6605 of the Welfare and Institutions Code is amended to read:

6605. (a) A person found to be a sexually violent predator and committed to the custody of the State Department of Mental Health shall have a current examination of his or her mental condition made at least once every year. *The annual report shall include consideration of whether the committed person currently meets the definition of a sexually violent predator and whether conditional release to a less restrictive alternative or an unconditional release is in the best interest of the person and conditions can be imposed that would adequately protect the community. The Department of Mental Health shall file this periodic report with the court that committed the person under this article. The report shall be in the form of a declaration and shall be prepared by a professionally qualified person. A copy of the report shall be served on the prosecuting agency involved in the initial commitment and upon the committed person.* The person may retain, or if he or she is indigent and so requests, the court may appoint, a qualified expert or professional person to examine him or her, and the expert or professional person shall have access to all records concerning the person.

~~(b) The director shall provide the committed person with an annual written notice of his or her right to petition the court for conditional release under Section 6608. The notice shall contain a waiver of rights. The director shall forward the notice and waiver form to the court with the annual report. If the person does not affirmatively waive his or her right to petition the court for conditional release, the court shall set a show cause hearing to determine whether facts exist that warrant a hearing on whether the person's condition has so changed that he or she would not be a danger to the health and safety of others if discharged. The committed person shall have the right to be present and to have an attorney represent him or her at the show cause hearing. If the Department of Mental Health determines that either: (1) the person's condition has so changed that the person no longer meets the definition of a sexually violent predator; or (2) conditional release to a less restrictive alternative is in the best interest of the person and conditions can be imposed that adequately protect the community, the director shall authorize the person to petition the court for conditional release to a less restrictive alternative or for an unconditional discharge. The petition shall be filed with the court and served upon the prosecuting agency responsible for the initial commitment. The court, upon receipt of the petition for conditional release to a less restrictive alternative or unconditional discharge, shall order a show cause hearing at which the court can consider the petition and any accompanying documentation provided by the medical director, the prosecuting attorney or the committed person.~~

(c) If the court at the show cause hearing determines that probable cause exists to believe that the committed person's diagnosed mental disorder has so changed that he or she is not a danger to the health and safety of others and is not likely to engage in sexually violent criminal behavior if discharged, then the court shall set a hearing on the issue.

(d) At the hearing, the committed person shall have the right to be present and shall be entitled to the benefit of all constitutional protections that were afforded to him or her at the initial commitment proceeding. The attorney designated by the county pursuant to subdivision (i) of Section 6601 shall represent the state and shall have the right to demand a jury trial and to have the committed person evaluated by experts chosen by the state. The committed person also shall have

the right to demand a jury trial and to have experts evaluate him or her on his or her behalf. The court shall appoint an expert if the person is indigent and requests an appointment. The burden of proof at the hearing shall be on the state to prove beyond a reasonable doubt that the committed person's diagnosed mental disorder remains such that he or she is a danger to the health and safety of others and is likely to engage in sexually violent criminal behavior if discharged.

(e) If the court or jury rules against the committed person at the hearing conducted pursuant to subdivision (d), the term of commitment of the person shall run for a *an indeterminate* period of ~~two years~~ from the date of this ruling. If the court or jury rules for the committed person, he or she shall be unconditionally released and unconditionally discharged.

(f) In the event that the State Department of Mental Health has reason to believe that a person committed to it as a sexually violent predator is no longer a sexually violent predator, it shall seek judicial review of the person's commitment pursuant to the procedures set forth in Section 7250 in the superior court from which the commitment was made. If the superior court determines that the person is no longer a sexually violent predator, he or she shall be unconditionally released and unconditionally discharged.

SEC. 30. Section 6608 of the Welfare and Institutions Code is amended to read:

6608. (a) Nothing in this article shall prohibit the person who has been committed as a sexually violent predator from petitioning the court for conditional release ~~and subsequent~~ *or an* unconditional discharge without the recommendation or concurrence of the Director of Mental Health. If a person has previously filed a petition for conditional release without the concurrence of the director and the court determined, either upon review of the petition or following a hearing, that the petition was frivolous or that the committed person's condition had not so changed that he or she would not be a danger to others in that it is not likely that he or she will engage in sexually violent criminal behavior if placed under supervision and treatment in the community, then the court shall deny the subsequent petition unless it contains facts upon which a court could find that the condition of the committed person had so changed that a hearing was warranted. Upon receipt of a first or subsequent petition from a committed person without the concurrence of the director, the court shall endeavor whenever possible to review the petition and determine if it is based upon frivolous grounds and, if so, shall deny the petition without a hearing. The person petitioning for conditional release and unconditional discharge under this subdivision shall be entitled to assistance of counsel.

(b) The court shall give notice of the hearing date to the attorney designated in subdivision (i) of Section 6601, the retained or appointed attorney for the committed person, and the Director of Mental Health at least 15 court days before the hearing date.

(c) No hearing upon the petition shall be held until the person who is committed has been under commitment for confinement and care in a facility designated by the Director of Mental Health for not less than one year from the date of the order of commitment.

(d) The court shall hold a hearing to determine whether the person committed would be a danger to the health and safety of others in that it is likely that he or she will engage in sexually violent criminal behavior due to his or her diagnosed mental disorder if under supervision and treatment in the community. If the court at the hearing determines that the committed person would not be a danger to



others due to his or her diagnosed mental disorder while under supervision and treatment in the community, the court shall order the committed person placed with an appropriate forensic conditional release program operated by the state for one year. A substantial portion of the state-operated forensic conditional release program shall include outpatient supervision and treatment. The court shall retain jurisdiction of the person throughout the course of the program. At the end of one year, the court shall hold a hearing to determine if the person should be unconditionally released from commitment on the basis that, by reason of a diagnosed mental disorder, he or she is not a danger to the health and safety of others in that it is not likely that he or she will engage in sexually violent criminal behavior. The court shall not make this determination until the person has completed at least one year in the state-operated forensic conditional release program. The court shall notify the Director of Mental Health of the hearing date.

(e) Before placing a committed person in a state-operated forensic conditional release program, the community program director designated by the State Department of Mental Health shall submit a written recommendation to the court stating which forensic conditional release program is most appropriate for supervising and treating the committed person. If the court does not accept the community program director's recommendation, the court shall specify the reason or reasons for its order on the record. The procedures described in Sections 1605 to 1610, inclusive, of the Penal Code shall apply to the person placed in the forensic conditional release program.

(f) If the court determines that the person should be transferred to a state-operated forensic conditional release program, the community program director, or his or her designee, shall make the necessary placement arrangements and, within 21 days after receiving notice of the court's finding, the person shall be placed in the community in accordance with the treatment and supervision plan unless good cause for not doing so is presented to the court.

(g) If the court rules against the committed person at the trial for unconditional release from commitment, the court may place the committed person on outpatient status in accordance with the procedures described in Title 15 (commencing with Section 1600) of Part 2 of the Penal Code.

(h) If the court denies the petition to place the person in an appropriate forensic conditional release program or if the petition for unconditional discharge is denied, the person may not file a new application until one year has elapsed from the date of the denial.

(i) In any hearing authorized by this section, the petitioner shall have the burden of proof by a preponderance of the evidence.

(j) If the petition for conditional release is not made by the director of the treatment facility to which the person is committed, no action on the petition shall be taken by the court without first obtaining the written recommendation of the director of the treatment facility.

(k) Time spent in a conditional release program pursuant to this section shall not count toward the term of commitment under this article unless the person is confined in a locked facility by the conditional release program, in which case the time spent in a locked facility shall count toward the term of commitment.

#### SEC. 31. Intent Clause

It is the intent of the People of the State of California in enacting this measure to strengthen and improve the laws that punish and control sexual offenders. It is also the intent of the People of the State of California that if any provision in this act conflicts with any other provision of law that provides for a greater penalty or longer period of imprisonment the latter provision shall apply.

SEC. 32. Severability Clause

If any provision of this act, 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 of this act are severable.

SEC. 33. Amendment Clause

The provisions of this act shall not be amended by the Legislature except by a statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, or by a statute that becomes effective only when approved by the voters. However, the Legislature may amend the provisions of this act to expand the scope of their application or to increase the punishments or penalties provided herein by a statute passed by majority vote of each house thereof.

Number  
on ballot

84. **Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds.**

[Submitted by the initiative and approved by electors November 7, 2006.]

**PROPOSED LAW**

SECTION 1. Division 43 is added to the Public Resources Code, to read:

*DIVISION 43. THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006*

*CHAPTER 1. GENERAL PROVISIONS*

75001. *This Division shall be known and may be cited as the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.*

75002. *The people of California find and declare that protecting the state's drinking water and water resources is vital to the public health, the state's economy, and the environment.*

75002.5. *The people of California further find and declare that the state's waters are vulnerable to contamination by dangerous bacteria, polluted runoff, toxic chemicals, damage from catastrophic floods and the demands of a growing population. Therefore, actions must be taken to ensure safe drinking water and a reliable supply of water for farms, cities and businesses, as well as to protect California's rivers, lakes, streams, beaches, bays and coastal waters, for this and future generations.*

75003. *The people of California further find and declare that it is necessary and in the public interest to do all of the following:*

(a) *Ensure that safe drinking water is available to all Californians by:*

(1) *Providing for emergency assistance to communities with contaminated sources of drinking water.*

(2) *Assisting small communities in making the improvements needed in their water systems to clean up and protect their drinking water from contamination.*

(3) *Providing grants and loans for safe drinking water and water pollution prevention projects.*



(4) *Protecting the water quality of the Sacramento-San Joaquin Delta, a key source of drinking water for 23 million Californians.*

(5) *Assisting each region of the state in improving local water supply reliability and water quality.*

(6) *Resolving water-related conflicts, improving local and regional water self-sufficiency and reducing reliance on imported water.*

(b) *Protect the public from catastrophic floods by identifying and mapping the areas most at risk, inspecting and repairing levees and flood control facilities, and reducing the long-term costs of flood management, reducing future flood risk and maximizing public benefits by planning, designing and implementing multi-objective flood corridor projects.*

(c) *Protect the rivers, lakes and streams of the state from pollution, loss of water quality, and destruction of fish and wildlife habitat.*

(d) *Protect the beaches, bays and coastal waters of the state for future generations.*

(e) *Revitalizing our communities and making them more sustainable and livable by investing in sound land use planning, local parks and urban greening.*

75003.5. *The people of California further find and declare that the growth in population of the state and the impacts of climate change pose significant challenges. These challenges must be addressed through careful planning and through improvements in land use and water management that both reduce contributions to global warming and improve the adaptability of our water and flood control systems. Improvements include better integration of water supply, water quality, flood control and ecosystem protection, as well greater water use efficiency and conservation to reduce energy consumption.*

75004. *It is the intent of the people that investment of public funds pursuant to this division should result in public benefits.*

75005. *As used in this division, the following terms have the following meanings:*

(a) *“Acquisition” means the acquisition of a fee interest or any other interest in real property including easements, leases and development rights.*

(b) *“Board” means the Wildlife Conservation Board.*

(c) *“California Water Plan” means the California Water Plan Update Bulletin 160-05 and subsequent revisions and amendments.*

(d) *“Delta” means the Sacramento-San Joaquin River Delta.*

(e) *“Department” means the Department of Water Resources.*

(f) *“Development” includes, but is not limited to the physical improvement of real property including the construction of facilities or structures.*

(g) *“Disadvantaged community” means a community with a median household income less than 80% of the statewide average. “Severely disadvantaged community” means a community with a median household income less than 60% of the statewide average.*

(h) *“Fund” means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.*

(i) *“Interpretation” includes, but is not limited to, a visitor serving amenity that educates and communicates the significance and value of natural, historical, and cultural resources in a way that increases the understanding and enjoyment of these resources and that may utilize the expertise of a naturalist or other specialist skilled at educational interpretation.*

(j) *“Local conservation corps” means a program operated by a public agency or nonprofit organization that meets the requirements of Section 14406.*

(k) "Nonprofit organization" means any nonprofit corporation qualified to do business in California, and qualified under Section 501 (c)(3) of the Internal Revenue Code.

(l) "Preservation" means rehabilitation, stabilization, restoration, development, and reconstruction, or any combination of those activities.

(m) "Protection" means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation and interpretation.

(n) "Restoration" means the improvement of physical structures or facilities and, in the case of natural systems and landscape features includes, but is not limited to, projects for the control of erosion, the control and elimination of exotic species, prescribed burning, fuel hazard reduction, fencing out threats to existing or restored natural resources, road elimination, and other plant and wildlife habitat improvement to increase the natural system value of the property. Restoration projects shall include the planning, monitoring and reporting necessary to ensure successful implementation of the project objectives.

(o) "Secretary" means the Secretary of the Resources Agency.

(p) "State Board" means the State Water Resources Control Board.

75009. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, which is hereby created. Except as specifically provided in this division the money shall be available for appropriation by the Legislature, in the manner and for the purposes set forth in this division in accordance with the following schedule:

(a) The sum of one billion five hundred twenty five million dollars (\$1,525,000,000) for safe drinking water, water quality and other water projects in accordance with the provisions of Chapter 2.

(b) The sum of eight hundred million dollars (\$800,000,000) for flood control projects in accordance with the provisions of Chapter 3.

(c) The sum of sixty five million dollars (\$65,000,000) for statewide water management in accordance with the provisions of Chapter 4.

(d) The sum of nine hundred twenty eight million dollars (\$928,000,000) for the protection of rivers, lakes and streams in accordance with the provisions of Chapter 5.

(e) The sum of four hundred fifty million dollars (\$450,000,000) for forest and wildlife conservation in accordance with the provisions of Chapter 6.

(f) The sum of five hundred forty million dollars (\$540,000,000) for the protection of beaches, bays, and coastal waters and watersheds in accordance with the provisions of Chapter 7.

(g) The sum of five hundred million dollars (\$500,000,000) for state parks and nature education facilities in accordance with Chapter 8.

(h) The sum of five hundred eighty million dollars (\$580,000,000) for sustainable communities and climate change reduction projects in accordance with Chapter 9.

## CHAPTER 2. SAFE DRINKING WATER AND WATER QUALITY PROJECTS

75020. This chapter is intended to provide the funds necessary to address the most critical water needs of the state including the provision of safe drinking water to all Californians, the protection of water quality and the environment, and the improvement of water supply reliability.

75021. (a) *The sum of ten million dollars (\$10,000,000) shall be available to the Department of Health Services for grants and direct expenditures to fund emergency and urgent actions to ensure that safe drinking water supplies are available to all Californians. Eligible projects include, but are not limited to, the following:*

(1) *Providing alternate water supplies including bottled water where necessary to protect public health.*

(2) *Improvements in existing water systems necessary to prevent contamination or provide other sources of safe drinking water including replacement wells.*

(3) *Establishing connections to an adjacent water system.*

(4) *Design, purchase, installation and initial operation costs for water treatment equipment and systems.*

(b) *Grants and expenditures shall not exceed \$250,000 per project.*

(c) *Direct expenditures for the purposes of this section shall be exempt from contracting and procurement requirements to the extent necessary to take immediate action to protect public health and safety.*

75022. *The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the Department of Health Services for grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. Priority shall be given to projects that address chemical and nitrate contaminants, other health hazards and by whether the community is disadvantaged or severely disadvantaged. Special consideration shall be given to small communities with limited financial resources. Eligible recipients include public agencies and incorporated mutual water companies that serve disadvantaged communities. The Department of Health Services may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Construction grants shall be limited to \$5,000,000 per project and not more than twenty five percent of a grant may be awarded in advance of actual expenditures. The Department of Health Services may expend up to \$5,000,000 of the funds allocated in this section for technical assistance to eligible communities.*

75023. *For the purpose of providing the state share needed to leverage federal funds to assist communities in providing safe drinking water, the sum of fifty million dollars (\$50,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund (Section 116760.30 of the Health and Safety Code).*

75024. *For the purpose of providing the state share needed to leverage federal funds to assist communities in making those infrastructure investments necessary to prevent pollution of drinking water sources, the sum of eighty million dollars (\$80,000,000) shall be available for deposit into the State Water Pollution Control Revolving Fund (Section 13477 of the Water Code).*

75025. *The sum of sixty million dollars (\$60,000,000) shall be available to the Department of Health Services for the purpose of loans and grants for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water. The Department of Health Services shall require repayment for costs that are subsequently recovered from parties responsible for the contamination. The Legislature may enact legislation necessary to implement this section.*

75026. (a) *The sum of one billion dollars (\$1,000,000,000) shall be available to the department for grants for projects that assist local public*

agencies to meet the long term water needs of the state including the delivery of safe drinking water and the protection of water quality and the environment. Eligible projects must implement integrated regional water management plans that meet the requirements of this section. Integrated regional water management plans shall identify and address the major water related objectives and conflicts within the region, consider all of the resource management strategies identified in the California Water Plan, and use an integrated, multi-benefit approach to project selection and design. Plans shall include performance measures and monitoring to document progress toward meeting plan objectives. Projects that may be funded pursuant to this section must be consistent with an adopted integrated regional water management plan or its functional equivalent as defined in the department's Integrated Regional Water Management Guidelines, must provide multiple benefits, and must include one or more of the following project elements:

- (1) Water supply reliability, water conservation and water use efficiency.
  - (2) Storm water capture, storage, clean-up, treatment, and management.
  - (3) Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.
  - (4) Non-point source pollution reduction, management and monitoring.
  - (5) Groundwater recharge and management projects.
  - (6) Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users.
  - (7) Water banking, exchange, reclamation and improvement of water quality.
  - (8) Planning and implementation of multipurpose flood management programs.
  - (9) Watershed protection and management.
  - (10) Drinking water treatment and distribution.
  - (11) Ecosystem and fisheries restoration and protection.
- (b) The Department of Water Resources shall give preference to proposals that satisfy the following criteria:
- (1) Proposals that effectively integrate water management programs and projects within a hydrologic region identified in the California Water Plan; the Regional Water Quality Control Board region or subdivision or other region or sub-region specifically identified by the department.
  - (2) Proposals that effectively integrate water management with land use planning.
  - (3) Proposals that effectively resolve significant water-related conflicts within or between regions.
  - (4) Proposals that contribute to the attainment of one or more of the objectives of the CALFED Bay-Delta Program.
  - (5) Proposals that address statewide priorities.
  - (6) Proposals that address critical water supply or water quality needs for disadvantaged communities within the region.
- (c) Not more than 5% of the funds provided by this section may be used for grants or direct expenditures for the development, updating or improvement of integrated regional water management plans.
- (d) The department shall coordinate the provisions of this section with the program provided in Chapter 8 of Division 26.5 of the Water Code and may implement this section using existing Integrated Regional Water Management Guidelines.

75027. (a) *The funding provided in Section 75026 shall be allocated to each hydrologic region as identified in the California Water Plan and listed below. For the South Coast Region, the department shall establish three sub-regions that reflect the San Diego county watersheds, the Santa Ana River watershed, and the Los Angeles—Ventura County watersheds respectively, and allocate funds to those sub-regions. The North and South Lahontan regions shall be treated as one region for the purpose of allocating funds, but the department may require separate regional plans. Funds provided in Section 75026 shall be allocated according to the following schedule:*

(1) North Coast	\$37,000,000
(2) San Francisco Bay	\$138,000,000
(3) Central Coast	\$52,000,000
(4) Los Angeles sub-region	\$215,000,000
(5) Santa Ana sub-region	\$114,000,000
(6) San Diego sub-region	\$91,000,000
(7) Sacramento River	\$73,000,000
(8) San Joaquin River	\$57,000,000
(9) Tulare/Kern (Tulare Lake)	\$60,000,000
(10) North/South Lahontan	\$27,000,000
(11) Colorado River Basin	\$36,000,000
(12) Inter-regional/Unallocated	\$100,000,000

(b) *The interregional and unallocated funds provided in subdivision (a) may be expended directly or granted by the department to address multi-regional needs or issues of statewide significance.*

75028. (a) *The department shall allocate grants on a competitive basis within each identified hydrologic region or sub-region pursuant to Section 75027. The department may establish standards and procedures for the development and approval of local project selection processes within hydrologic regions and sub-regions identified in Section 75027. The department shall defer to approved local project selection, and review projects only for consistency with the purposes of Section 75026.*

(b) *If a hydrologic region or sub-region identified in Section 75027 does not have any adopted plan that meets the requirements of Section 75026 at the time of the department's grant selection process, the funds allocated to that hydrologic region or sub-region shall not be reallocated to another region but will remain unallocated until such time as an adopted plan from the hydrologic region or sub-region is submitted to the department.*

75029. *The sum of one hundred thirty million dollars (\$130,000,000) shall be available to the department for grants to implement Delta water quality improvement projects that protect drinking water supplies. The department shall require a cost share from local agencies. Eligible projects are:*

(a) *Projects that reduce or eliminate discharges of salt, dissolved organic carbon, pesticides, pathogens and other pollutants to the San Joaquin River. Not less than forty million (\$40,000,000) shall be available to implement projects to reduce or eliminate discharges of subsurface agricultural drain water from the west side of the San Joaquin Valley for the purpose of improving water quality in the San Joaquin River and the Delta.*

(b) *Projects that reduce or eliminate discharges of bromide, dissolved organic carbon, salt, pesticides and pathogens from discharges to the Sacramento River.*

(c) *Projects at Franks Tract and other locations in the Delta that will reduce salinity or other pollutants at agricultural and drinking water intakes.*



*(d) Projects identified in the June 2005 Delta Region Drinking Water Quality Management Plan, with a priority for design and construction of the relocation of drinking water intake facilities for in-delta water users.*

75029.5. *The sum of fifteen million dollars (\$15,000,000) shall be available to the state board for grants to public agencies and non-profit organizations for projects that reduce the discharge of pollutants from agricultural operations into surface waters of the state.*

CHAPTER 3. FLOOD CONTROL

75030. *This chapter is intended to provide the funding needed to address short term flood control needs such as levee inspection and evaluation, floodplain mapping and improving the effectiveness of emergency response, and providing funding for critical immediate flood control needs throughout the state. It is also intended to provide a framework to support long term strategies that will require the establishment of more effective levee maintenance programs, better floodplain management and more balanced allocation of liability and responsibility between the federal, state and local governments.*

75031. *The sum of thirty million dollars (\$30,000,000) shall be available to the department for the purposes of floodplain mapping, assisting local land-use planning, and to avoid or reduce future flood risks and damages. Eligible projects include, but are not limited to:*

- (a) Mapping floodplains.*
- (b) Mapping rural areas with potential for urbanization.*
- (c) Mapping and identification of flood risk in high density urban areas.*
- (d) Mapping flood hazard areas.*
- (e) Updating outdated floodplain maps.*
- (f) Mapping of riverine floodplains, alluvial fans, and coastal flood hazard areas.*
- (g) Collecting topographic and hydrographic survey data.*

75032. *The sum of two hundred seventy five million dollars (\$275,000,000) shall be available to the department for the following flood control projects:*

- (a) The inspection and evaluation of the integrity and capability of existing flood control project facilities and the development of an economically viable flood control rehabilitation plan.*
- (b) Improvement, construction, modification, and relocation of flood control levees, weirs, or bypasses including repair of critical bank and levee erosion.*
- (c) Projects to improve the department's emergency response capability.*
- (d) Environmental mitigation and infrastructure relocation costs related to projects under this section.*
- (e) To the extent feasible, the department shall implement a multi-objective management approach for floodplains that would include, but not be limited to, increased flood protection, ecosystem restoration, and farmland protection.*

75032.4. *Notwithstanding Section 13340 of the Government Code, the funds allocated in Sections 75031 and 75032 are continuously appropriated to the department for the purposes of those sections.*

75032.5. *The sum of forty million dollars (\$40,000,000) shall be available to the department for Flood Protection Corridor projects that are consistent with Water Code Section 79037.*

75033. *The sum of two hundred seventy five million dollars (\$275,000,000) shall be available to the department for flood control projects in the Delta designed to increase the department's ability to respond to levee breaches and*

*to reduce the potential for levee failures. The funds provided by this section shall be available for the following purposes:*

*(a) Projects to improve emergency response preparedness.*

*(b) Local assistance under the delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6 of the Water Code.*

*(c) Special flood protection projects under Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6 of the Water Code, including projects for the acquisition, preservation, protection and restoration of Delta lands for the purpose of flood control and to meet multiple objectives such as drinking water quality ecosystem restoration and water supply reliability.*

*(d) All projects shall be subject to the provisions of Water Code Section 79050.*

*75034. The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the department for the purposes of funding the state's share of the nonfederal costs of flood control and flood prevention projects for which assurances required by the federal government have been provided by a local agency and which have been authorized under the State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6 of the Water Code), the Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6 of the Water Code), and the California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code), including the credits and loans to local agencies pursuant to Sections 12585.3 and 12585.4, subdivision (d) of Section 12585.5, and Sections 12866.3 and 12866.4 of the Water Code, and to implement Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6 of the Water Code. Projects eligible for funding pursuant to this section shall comply with the requirements of AB 1147 (Statutes of 2000, Chapter 1071).*

#### CHAPTER 4. STATEWIDE WATER PLANNING AND DESIGN

*75041. The sum of sixty five million dollars (\$65,000,000) shall be available to the department for planning and feasibility studies related to the existing and potential future needs for California's water supply, conveyance and flood control systems. The studies shall be designed to promote integrated, multi-benefit approaches that maximize the public benefits of the overall system including protection of the public from floods, water supply reliability, water quality, and fish, wildlife and habitat protection and restoration. Projects to be funded include:*

*(a) Evaluation of climate change impacts on the state's water supply and flood control systems and the development of system redesign alternatives to improve adaptability and public benefits.*

*(b) Surface water storage planning and feasibility studies pursuant to the CALFED Bay-Delta Program.*

*(c) Modeling and feasibility studies to evaluate the potential for improving flood protection and water supply through coordinating groundwater storage and reservoir operations.*

*(d) Other planning and feasibility studies necessary to improve the integration of flood control and water supply systems.*

#### CHAPTER 5. PROTECTION OF RIVERS, LAKES AND STREAMS

*75050. The sum of nine hundred twenty eight million dollars (\$928,000,000) shall be available for the protection and restoration of rivers, lakes and streams,*

*their watersheds and associated land, water, and other natural resources in accordance with the following schedule:*

*(a) The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the Department of Fish and Game, in consultation with the department, for Bay-Delta and coastal fishery restoration projects. Of the funds provided in this section, up to \$20,000,000 shall be available for the development of a natural community conservation plan for the CALFED Bay-Delta Program and up to \$45,000,000 shall be available for coastal salmon and steelhead fishery restoration projects that support the development and implementation of species recovery plans and strategies for salmonid species listed as threatened or endangered under state or federal law.*

*(b) The sum of ninety million dollars (\$90,000,000) shall be available for projects related to the Colorado River in accordance with the following schedule:*

*(1) Not more than \$36,000,000 shall be available to the department for water conservation projects that implement the Allocation Agreement as defined in the Quantification Settlement Agreement.*

*(2) Not more than \$7,000,000 shall be available to the Department of Fish and Game for projects to implement the Lower Colorado River Multi-Species Habitat Conservation Plan.*

*(3) \$47,000,000 shall be available for deposit into the Salton Sea Restoration Fund.*

*(c) The sum of fifty four million dollars (\$54,000,000) shall be available to the department for development, rehabilitation, acquisition, and restoration costs related to providing public access to recreation and fish and wildlife resources in connection with state water project obligations pursuant to Water Code Section 11912.*

*(d) The sum of seventy two million dollars (\$72,000,000) shall be available to the secretary for projects in accordance with the California River Parkways Act of 2004 Chapter 3.8 (commencing with Section 5750) of Division 5. Up to \$10,000,000 may be transferred to the Department of Conservation for the Watershed Coordinator Grant Program.*

*(e) The sum of eighteen million dollars (\$18,000,000) shall be available to the department for the Urban Streams Restoration Program pursuant to Water Code Section 7048.*

*(f) The sum of thirty six million dollars (\$36,000,000) shall be available for river parkway projects to the San Joaquin River Conservancy.*

*(g) The sum of seventy two million dollars (\$72,000,000) shall be available for projects within the watersheds of the Los Angeles and San Gabriel Rivers according to the following schedule:*

*(1) \$36,000,000 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600).*

*(2) \$36,000,000 to the Santa Monica Mountains Conservancy for implementation of watershed protection activities throughout the watershed of the Upper Los Angeles River pursuant to Section 79508 of the Water Code.*

*(h) The sum of thirty six million dollars (\$36,000,000) shall be available for the Coachella Valley Mountains Conservancy.*

*(i) The sum of forty five million dollars (\$45,000,000) shall be available for projects to expand and improve the Santa Ana River Parkway. Project funding shall be appropriated to the State Coastal Conservancy for projects developed in consultation with local government agencies participating in the development*



of the Santa Ana River Parkway. Of the amount provided in this paragraph the sum of thirty million dollars (\$30,000,000) shall be equally divided between projects in Orange, San Bernardino and Riverside Counties.

(j) The sum of fifty four million dollars (\$54,000,000) shall be available for the Sierra Nevada Conservancy.

(k) The sum of thirty six million dollars (\$36,000,000) shall be available for the California Tahoe Conservancy.

(l) The sum of forty five million dollars (\$45,000,000) shall be available to the California Conservation Corps for resource conservation and restoration projects and for facilities acquisition, development, restoration, and rehabilitation and for grants and state administrative costs, in accordance with the following schedule:

(1) The sum of twenty five million dollars (\$25,000,000) shall be available for projects to improve public safety and improve and restore watersheds including regional and community fuel load reduction projects on public lands, and stream and river restoration projects. Not less than 50% of these funds shall be in the form of grants to local conservation corps.

(2) The sum of twenty million dollars (\$20,000,000) shall be available for grants to local conservation corps for acquisition and development of facilities to support local conservation corps programs, and for local resource conservation activities.

(m) The sum of ninety million dollars (\$90,000,000) to the state board for matching grants to local public agencies for the reduction and prevention of stormwater contamination of rivers, lakes, and streams. The Legislature may enact legislation to implement this subdivision.

(n) The sum of one hundred million dollars (\$100,000,000) shall be available to the secretary for the purpose of implementing a court settlement to restore flows and naturally-reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River. These funds shall be available for channel and structural improvements, and related research pursuant to the court settlement. The secretary is authorized to enter into a cost-sharing agreement with the United States Secretary of the Interior and other parties, as necessary, to implement this provision.

#### CHAPTER 6. FOREST AND WILDLIFE CONSERVATION

75055. The sum of four hundred fifty million dollars (\$450,000,000) shall be available for the protection and conservation of forests and wildlife habitat according to the following schedule:

(a) Notwithstanding Section 13340 of the Government Code, the sum of one hundred eighty million dollars (\$180,000,000) is continuously appropriated to the board for forest conservation and protection projects. The goal of this grant program is to promote the ecological integrity and economic stability of California's diverse native forests for all their public benefits through forest conservation, preservation and restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats for native fish, wildlife and plants found on these lands.

(b) (1) Notwithstanding Section 13340 of the Government Code, the sum of one hundred thirty five million dollars (\$135,000,000) is hereby continuously appropriated to the board for the development, rehabilitation, restoration, acquisition and protection of habitat that accomplishes one or more of the following objectives:

(A) Promotes the recovery of threatened and endangered species.

(B) Provides corridors linking separate habitat areas to prevent fragmentation.

(C) Protects significant natural landscapes and ecosystems such as old growth redwoods, mixed conifer forests and oak woodlands, riparian and wetland areas, and other significant habitat areas.

(D) Implements the recommendations of California Comprehensive Wildlife Strategy, as submitted October 2005 to the United States Fish and Wildlife Service.

(2) Funds authorized by this subdivision may be used for direct expenditures or for grants and for related state administrative costs, pursuant to the Wildlife Conservation Law of 1947, Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code, the Oak Woodland Conservation Act, Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code, and the California Rangeland, Grazing Land and Grassland Protection Act, commencing with Section 10330 of Division 10.4. Funds scheduled in this subdivision may be used to prepare management plans for properties acquired by the Wildlife Conservation Board and for the development of scientific data, habitat mapping and other research information necessary to determine the priorities for restoration and acquisition statewide.

(3) Up to twenty five million dollars (\$25,000,000) may be granted to the University of California for the Natural Reserve System for matching grants for land acquisition and for the construction and development of facilities that will be used for research and training to improve the management of natural lands and the preservation of California's wildlife resources.

(c) The sum of ninety million dollars (\$90,000,000) shall be available to the board for grants to implement or assist in the establishment of Natural Community Conservation Plans, Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code.

(d) The sum of forty five million dollars (\$45,000,000) shall be available for the protection of ranches, farms, and oak woodlands according the following schedule:

(1) Grazing land protection pursuant to the California Rangeland, Grazing Land and Grassland Protection Act, commencing with Section 10330 of Division 10.4.....\$15,000,000.

(2) Oak Woodland Preservation pursuant to Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code....\$15,000,000.

(3) Agricultural land preservation pursuant to the California Farmland Conservancy Program Act of 1995, Article 1 (commencing with Section 10200) of Division 10.2.....\$10,000,000.

(4) To the board for grants to assist farmers in integrating agricultural activities with ecosystem restoration and wildlife protection.....\$5,000,000.

#### CHAPTER 7. PROTECTION OF BEACHES, BAYS AND COASTAL WATERS

75060. The sum of five hundred forty million dollars (\$540,000,000) shall be available for the protection of beaches, bays and coastal waters and watersheds, including projects to prevent contamination and degradation of coastal waters and watersheds, projects to protect and restore the natural habitat values of coastal waters and lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state, in accordance with the following schedule:

(a) *The sum of ninety million dollars (\$90,000,000) shall be available to the state board for the purpose of matching grants for protecting beaches and coastal waters from pollution and toxic contamination pursuant to the Clean Beaches Program, Chapter 3 (commencing with Section 30915) of Division 20.4. Not less than \$35,000,000 shall be for grants to local public agencies to assist those agencies to comply with the discharge prohibition into Areas of Special Biological Significance contained in the California Ocean Plan. Not less than 20% of the funds allocated by this subdivision shall be available to the Santa Monica Bay Restoration Commission.*

(b) *The sum of one hundred thirty five million dollars (\$135,000,000) shall be available for the State Coastal Conservancy for expenditure pursuant to Division 21.*

(c) *The sum of one hundred eight million dollars (\$108,000,000) shall be available for the San Francisco Bay Area Conservancy Program pursuant to Chapter 4.5 of Division 21. Not less than 20% of the funds allocated by this paragraph shall be expended on projects in watersheds draining directly to the Pacific Ocean.*

(d) *The sum of forty five million dollars (\$45,000,000) for the protection of the Santa Monica Bay and its watersheds shall be available as follows:*

(1) *To the Santa Monica Mountains Conservancy pursuant to Division 23 (commencing with Section 33000).....\$20,000,000.*

(2) *To the Baldwin Hills Conservancy for the protection of the Ballona Creek/Baldwin Hills watershed.....\$10,000,000.*

(3) *To the Rivers and Mountains Conservancy.....\$15,000,000.*

(e) *The sum of forty five million dollars (\$45,000,000) for the protection of Monterey Bay and its watersheds shall be available to the State Coastal Conservancy.*

(f) *The sum of twenty seven million dollars (\$27,000,000) for the protection of San Diego Bay and adjacent watersheds shall be available to the State Coastal Conservancy.*

(g) *The sum of ninety million dollars (\$90,000,000) shall be allocated to the California Ocean Protection Trust Fund (Chapter 4 (commencing with Section 35650) of Division 26.5) and available for the purposes of projects consistent with Section 35650. Priority projects shall include the development of scientific data needed to adaptively manage the state's marine resources and reserves, including the development of marine habitat maps, the development and implementation of projects to foster sustainable fisheries using loans and grants, and the development and implementation of projects to conserve marine wildlife.*

#### CHAPTER 8. PARKS AND NATURE EDUCATION FACILITIES

75063. *The sum of five hundred million dollars (\$500,000,000) shall be available to provide public access to the resources of the State of California, including its rivers, lakes and streams, its beaches, bays and coastal waters, to protect those resources for future generations, and to increase public understanding and knowledge of those resources, in accordance with the following schedule:*

(a) *The sum of four hundred million dollars (\$400,000,000) shall be available to the Department of Parks and Recreation for development, acquisition, interpretation, restoration and rehabilitation of the state park system and its natural, historical, and visitor serving resources. The Department of Parks and*

*Recreation shall include the following goals in setting spending priorities for the funds appropriated pursuant to this section:*

*(1) The restoration, rehabilitation and improvement of existing state park system lands and facilities.*

*(2) The expansion of the state park system to reflect the growing population and shifting population centers and needs of the state.*

*(3) The protection of representative natural resources based on the criteria and priorities identified in Section 75071.*

*(b) The sum of one hundred million dollars (\$100,000,000) shall be available to the Department of Parks and Recreation for grants for nature education and research facilities and equipment to non-profit organizations and public institutions, including natural history museums, aquariums, research facilities and botanical gardens. Eligible institutions include those that combine the study of natural science with preservation, demonstration and education programs that serve diverse populations, institutions that provide collections and programs related to the relationship of Native American cultures to the environment, and institutions for marine wildlife conservation research. Grants may be used for buildings, structures and exhibit galleries that present the collections to inspire and educate the public and for marine wildlife conservation research equipment and facilities.*

**CHAPTER 9. SUSTAINABLE COMMUNITIES AND CLIMATE CHANGE REDUCTION**

*75065. The sum of five hundred eighty million dollars (\$580,000,000) shall be available for improving the sustainability and livability of California's communities through investment in natural resources. The purposes of this chapter include reducing urban communities' contribution to global warming and increasing their adaptability to climate change while improving the quality of life in those communities. Funds shall be available in accordance with the following schedule:*

*(a) The sum of ninety million dollars (\$90,000,000) shall be available for urban greening projects that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits. Priority shall be given to projects that provide multiple benefits, use existing public lands, serve communities with the greatest need, and facilitate joint use of public resources and investments including schools. Implementing legislation shall provide for planning grants for urban greening programs. Not less than \$20,000,000 shall be available for urban forestry projects pursuant to the California Urban Forestry Act, Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 1.*

*(b) The sum of four hundred million dollars (\$400,000,000) shall be available to the Department of Parks and Recreation for competitive grants for local and regional parks. Funds provided in this subdivision may be allocated to existing programs or pursuant to legislation enacted to implement this subdivision, subject to the following considerations:*

*(1) Acquisition and development of new parks and expansion of overused parks that provide park and recreational access to underserved communities shall be given preference.*

*(2) Creation of parks in neighborhoods where none currently exist shall be given preference.*

*(3) Outreach and technical assistance shall be provided to underserved communities to encourage full participation in the program or programs.*

(4) Preference shall be given to applicants that actively involve community based groups in the selection and planning of projects.

(5) Projects will be designed to provide efficient use of water and other natural resources.

(c) The sum of ninety million dollars (\$90,000,000) shall be available for planning grants and planning incentives, including revolving loan programs and other methods to encourage the development of regional and local land use plans that are designed to promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban and community centers.

75066. Appropriation of the funds provided in subdivisions (a) and (c) of Section 75065 may only be made upon enactment of legislation to implement that subdivision.

#### CHAPTER 10. MISCELLANEOUS PROVISIONS

75070. Every proposed activity or project to be financed pursuant to this division shall be in compliance with the California Environmental Quality Act, Division 13 (commencing with Section 21000).

75070.4. Acquisitions of real property pursuant to Chapters 5, 6, 7, 8, and 9 shall be from willing sellers.

75070.5. Not more than 5% of the funds allocated to any program in this division may be used to pay the costs incurred in the administration of that program.

75071. In evaluating potential projects that include acquisition or restoration for the purpose of natural resource protection, the Department of Parks and Recreation, the board, and the State Coastal Conservancy shall give priority to projects that demonstrate one or more of the following characteristics:

(a) *Landscape/Habitat Linkages*: properties that link to, or contribute to linking, existing protected areas with other large blocks of protected habitat. Linkages must serve to connect existing protected areas, facilitate wildlife movement or botanical transfer, and result in sustainable combined acreage.

(b) *Watershed Protection*: projects that contribute to long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the state as identified by the Resources Agency.

(c) Properties that support relatively large areas of under-protected major habitat types.

(d) Properties that provide habitat linkages between two or more major biological regions of the state.

(e) Properties for which there is a non-state matching contribution toward the acquisition, restoration, stewardship or management costs. Matching contributions can be either monetary or in the form of services, including volunteer services.

(f) At least fourteen days before approving an acquisition project funded by this division, an agency subject to this section shall submit to the Resources Agency and post on its website an explanation as to whether and how the proposed acquisition meets criteria established in this section.

75071.5. The Department of Parks and Recreation, the board, and the State Coastal Conservancy shall work with the United States Department of Defense to coordinate the development of buffer areas around military facilities that facilitate the continued operation of those facilities and promote the



*conservation and recreation goals of the state. To the extent consistent with this division, agencies may provide funding to support projects that meet the purposes of this section.*

75072. Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This provision shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the Annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the Surface Water Ambient Monitoring Program administered by the state board.

75072.5. For the purposes of Section 75060(e), “Monterey Bay and its watersheds” shall be considered to be watersheds of those rivers and streams in Santa Cruz and Monterey Counties flowing to the Monterey Bay southward to, and including, the Carmel River watershed.

75072.6. For purposes of Section 75060(f), “San Diego Bay and adjacent watersheds” includes the coastal and bay watersheds within San Diego County.

75072.7. For purposes of Section 75060(d), “Santa Monica Bay and watershed” includes the coastal and bay watersheds in Ventura and Los Angeles Counties from Calleguas Creek southward to the San Gabriel River.

75073. Funds scheduled in Chapter 5, 6, 7 and 8 of this division that are not designated for competitive grant programs may also be used for the purposes of reimbursing the General Fund, pursuant to the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000)).

75074. In enacting Chapters 5, 6, 7 and 8 of this division it is the intent of the people that when a project or program is funded herein, funds for such program or project may be used to the full extent authorized by the statute governing the program or conservancy receiving such funds.

75075. The body awarding any contract for a public works project financed in any part from funds made available pursuant to this division shall adopt and enforce, or contract with a third party to enforce, a labor compliance program pursuant to subdivision (b) of Labor Code Section 1771.5 for application to that public works project.

75076. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this chapter.

75077. Funds provided pursuant to this chapter, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

75078. The Secretary shall provide for an independent audit of expenditures pursuant to this division to ensure that all moneys are expended in accordance with the requirements of this division. The secretary shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the Resources Agency’s Internet Website.

75079. The Secretary shall appoint a citizen advisory committee to review the annual audit and to identify and recommend actions to ensure that the intent and purposes of this division are met by the agencies responsible for implementation of this division.

## CHAPTER 11. FISCAL PROVISIONS

75080. Bonds in the total amount of five billion three hundred and eighty eight million dollars (\$5,388,000,000), not including the amount of any refunding bonds issued in accordance with Section 75088, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes set forth in this division and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bond proceeds shall be deposited in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 created by Section 75009. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of and interest on the bonds as they become due and payable.

75081. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, and all provisions of that law shall apply to the bonds and to this division and are hereby incorporated in this division by this reference as though fully set forth in this division.

75082. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Finance Committee is hereby created. For purposes of this division, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Finance Committee is "the committee" as that term is used by the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of this chapter and the State General Obligation Bond Law, the secretary is designated as "the board."

75083. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

75084. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do so and perform each and every act that is necessary to collect that additional sum.

75085. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 75086, appropriated without regard to fiscal years.

75086. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds that would otherwise be deposited in that fund.

75087. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

75088. Any bonds issued or sold pursuant to this division may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of the bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

75090. The people of California hereby find and declare that inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.

SEC. 2. If any provision of this Act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 3. This Act is an exercise of the public power of the People of the State of California for the protection of their health, safety, and welfare and shall be liberally construed to effectuate those purposes.

**BOND ACTS SUBMITTED BY LEGISLATURE**

Number  
on ballot

- 1B. **Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.** (Statutes 2006, Chapter 25, SB 1266)

[Approved by electors November 7, 2006.]

**PROPOSED LAW**

SECTION 1. Chapter 12.49 (commencing with Section 8879.20) is added to Division 1 of Title 2 of the Government Code, to read:

*CHAPTER 12.49. THE HIGHWAY SAFETY, TRAFFIC REDUCTION,  
AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006  
Article 1. General Provisions*

8879.20. (a) This chapter shall be known as the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

(b) This chapter shall only become operative upon adoption by the voters at the November 7, 2006, statewide general election.



8879.22. *As used in this chapter, the following terms have the following meanings:*

(a) *“Board” means any department receiving an allocation of bond proceeds pursuant to this chapter.*

(b) *“Committee” means the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee created pursuant to Section 8879.27.*

(c) *“Fund” means the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 created pursuant to Section 8879.23.*

*Article 2. Highway Safety, Traffic Reduction, Air Quality,  
and Port Security Fund of 2006 and Program*

8879.23. *The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the mobility, safety, and air quality improvements described in this article over the course of the next decade. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter shall be allocated in the following manner:*

(a) (1) *Four billion five hundred million dollars (\$4,500,000,000) shall be deposited in the Corridor Mobility Improvement Account, which is hereby created in the fund. Funds in the account shall be available to the California Transportation Commission, upon appropriation in the annual Budget Bill by the Legislature, for allocation for performance improvements on highly congested travel corridors in California. Funds in the account shall be used for performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors, as identified by the department and regional or local transportation agencies, pursuant to the process in paragraph (3) or (4), as applicable.*

(2) *The commission shall develop and adopt guidelines, by December 1, 2006, including regional programming targets, for the program funded by this subdivision, and shall allocate funds from the account to projects after reviewing project nominations submitted by the Department of Transportation and by regional transportation planning agencies or county transportation commissions or authorities pursuant to paragraph (4).*

(3) *Subject to the guidelines adopted pursuant to paragraph (2), the department shall nominate, by no later than January 15, 2007, projects for the allocation of funds from the account on a statewide basis. The department’s nominations shall be geographically balanced and shall reflect the department’s assessment of a program that best meets the policy objectives described in paragraph (1).*

(4) *Subject to the guidelines adopted pursuant to paragraph (2), a regional transportation planning agency or county transportation commission or authority responsible for preparing a regional transportation improvement plan under Section 14527 may nominate projects identified pursuant to paragraph (1) that best meet the policy objectives described in that paragraph for funding from the account. Projects nominated pursuant to this paragraph shall be submitted to the commission for consideration for funding by no later than January 15, 2007.*

(5) *All nominations to the California Transportation Commission shall be accompanied by documentation regarding the quantitative and qualitative*

measures validating each project's consistency with the policy objectives described in paragraph (1). All projects nominated to the commission for funds from this account shall be included in a regional transportation plan.

(6) After review of the project nominations, and supporting documentation, the commission, by no later than March 1, 2007, shall adopt an initial program of projects to be funded from the account. This program may be updated every two years in conjunction with the biennial process for adoption of the state transportation improvement program pursuant to guidelines adopted by the commission. The inclusion of a project in the program shall be based on a demonstration that the project meets all of the following criteria:

(A) Is a high-priority project in the corridor as demonstrated by either of the following: (i) its inclusion in the list of nominated projects by both the department pursuant to paragraph (3) and the regional transportation planning agency or county transportation commission or authority, pursuant to paragraph (4); or (ii) if needed to fully fund the project, the identification and commitment of supplemental funding to the project from other state, local, or federal funds.

(B) Can commence construction or implementation no later than December 31, 2012.

(C) Improves mobility in a high-congestion corridor by improving travel times or reducing the number of daily vehicle hours of delay, improves the connectivity of the state highway system between rural, suburban, and urban areas, or improves the operation or safety of a highway or road segment.

(D) Improves access to jobs, housing, markets, and commerce.

(7) Where competing projects offer similar mobility improvements to a specific corridor, the commission shall consider additional benefits when determining which project shall be included in the program for funding. These benefits shall include, but are not limited to, the following:

(A) A finding that the project provides quantifiable air quality benefits.

(B) A finding that the project substantially increases the safety for travelers in the corridor.

(8) In adopting a program for funding pursuant to this subdivision, the commission shall make a finding that the program is (i) geographically balanced, consistent with the geographic split for funding described in Section 188 of the Streets and Highways Code; (ii) provides mobility improvements in highly traveled or highly congested corridors in all regions of California; and (iii) targets bond proceeds in a manner that provides the increment of funding necessary, when combined with other state, local or federal funds, to provide the mobility benefit in the earliest possible timeframe.

(9) The commission shall include in its annual report to the Legislature, required by Section 14535, a summary of its activities related to the administration of this program. The summary should, at a minimum, include a description and the location of the projects contained in the program, the amount of funds allocated to each project, the status of each project, and a description of the mobility improvements the program is achieving.

(b) One billion dollars (\$1,000,000,000) shall be made available, upon appropriation in the annual Budget Bill by the Legislature, to the department for improvements to State Route 99. Funds may be used for safety, operational enhancements, rehabilitation, or capacity improvements necessary to improve the State Route 99 corridor traversing approximately 400 miles of the central valley of this state.

(c) Three billion one hundred million dollars (\$3,100,000,000) shall be deposited in the California Ports Infrastructure, Security, and Air Quality

*Improvement Account, which is hereby created in the fund. The money in the account shall be available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, as follows:*

*(1) (A) Two billion dollars (\$2,000,000,000) shall be transferred to the Trade Corridors Improvement Fund, which is hereby created. The money in this fund shall be available, upon appropriation in the annual Budget Bill by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission for infrastructure improvements along federally designated "Trade Corridors of National Significance" in this state or along other corridors within this state that have a high volume of freight movement, as determined by the commission. In determining projects eligible for funding, the commission shall consult the trade infrastructure and goods movement plan submitted to the commission by the Secretary of Business, Transportation and Housing and the Secretary for Environmental Protection. No moneys shall be allocated from this fund until the report is submitted to the commission for its consideration, provided the report is submitted no later than January 1, 2007. The commission shall also consult trade infrastructure and goods movement plans adopted by regional transportation planning agencies, adopted regional transportation plans required by state and federal law, and the statewide port master plan prepared by the California Marine and Intermodal Transportation System Advisory Council (Cal-MITSAC) pursuant to Section 1760 of the Harbors and Navigation Code, when determining eligible projects for funding. Eligible projects for these funds include, but are not limited to, all of the following:*

*(i) Highway capacity improvements and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.*

*(ii) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.*

*(iii) Projects to enhance the capacity and efficiency of ports.*

*(iv) Truck corridor improvements, including dedicated truck facilities or truck toll facilities.*

*(v) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access coordinated border infrastructure funds made available to the state by federal law.*

*(vi) Surface transportation improvements to facilitate the movement of goods to and from the state's airports.*

*(B) The commission shall allocate funds for trade infrastructure improvements from the account in a manner that (i) addresses the state's most urgent needs, (ii) balances the demands of various ports (between large and small ports, as well as between seaports, airports, and land ports of entry), (iii) provides reasonable geographic balance between the state's regions, and (iv) places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions. In addition, the commission shall also consider the following factors when allocating these funds:*

(i) "Velocity," which means the speed by which large cargo would travel from the port through the distribution system.

(ii) "Throughput," which means the volume of cargo that would move from the port through the distribution system.

(iii) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.

(iv) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.

(C) The commission shall allocate funds made available by this paragraph to projects that have identified and committed supplemental funding from appropriate local, federal or private sources. The commission shall determine the appropriate amount of supplemental funding each project should have to be eligible for moneys from this fund based on a project-by-project review and an assessment of the project's benefit to the state and the program. Except for border access improvements described in clause (v) of subparagraph (A), improvements funded with moneys from this fund shall have supplemental funding that is at least equal to the amount of the contribution from the fund. The commission may give priority for funding to projects with higher levels of committed supplemental funding.

(D) The commission shall include in its annual report to the Legislature, required by Section 14535, a summary of its activities related to the administration of this program. The summary should, at a minimum, include a description and the location of the projects contained in the program, the amount of funds allocated to each project, the status of each project, and a description of the mobility and air quality improvements the program is achieving.

(2) One billion dollars (\$1,000,000,000) shall be made available, upon appropriation by the Legislature and subject to such conditions and criteria contained in a statute enacted by the Legislature, to the State Air Resources Board for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors. Funds made available by this paragraph are intended to supplement existing funds used to finance strategies and public benefit projects that reduce emissions and improve air quality in trade corridors commencing at the state's airports, seaports, and land ports of entry.

(3) One hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, to the Office of Emergency Services to be allocated, as grants, for port, harbor, and ferry terminal security improvements. Eligible applicants shall be publicly owned ports, harbors, and ferryboat and ferry terminal operators, which may submit applications for projects that include, but are not limited to, the following:

(A) Video surveillance equipment.

(B) Explosives detection technology, including, but not limited to, X-ray devices.

(C) Cargo scanners.

(D) Radiation monitors.

(E) Thermal protective equipment.

(F) Site identification instruments capable of providing a fingerprint for a broad inventory of chemical agents.

(G) Other devices capable of detecting weapons of mass destruction using chemical, biological, or other similar substances.

(H) *Other security equipment to assist in any of the following:*

- (i) *Screening of incoming vessels, trucks, and incoming or outbound cargo.*
- (ii) *Monitoring the physical perimeters of harbors, ports, and ferry terminals.*
- (iii) *Providing or augmenting onsite emergency response capability.*

(I) *Overweight cargo detection equipment, including, but not limited to, intermodal crane scales and truck weight scales.*

(J) *Developing disaster preparedness or emergency response plans.*

*The Office of Emergency Services shall report to the Legislature on March 1 of each year on the manner in which the funds available pursuant to this paragraph were expended for that fiscal year.*

(d) *Two hundred million dollars (\$200,000,000) shall be available, upon appropriation by the Legislature, for schoolbus retrofit and replacement to reduce air pollution and to reduce children's exposure to diesel exhaust.*

(e) *Two billion dollars (\$2,000,000,000) shall be available for projects in the state transportation improvement program, to augment funds otherwise available for this purpose from other sources. The funds provided by this subdivision shall be deposited in the Transportation Facilities Account which is hereby created in the fund, and shall be available, upon appropriation by the Legislature, to the Department of Transportation, as allocated by the California Transportation Commission in the same manner as funds allocated for those projects under existing law.*

(f) (1) *Four billion dollars (\$4,000,000,000) shall be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account, which is hereby created in the fund. Funds in the account shall be made available, upon appropriation by the Legislature, to the Department of Transportation for intercity rail projects and to commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.*

(2) *Of the funds made available in paragraph (1), four hundred million dollars (\$400,000,000) shall be available, upon appropriation by the Legislature, to the department for intercity rail improvements, of which one hundred twenty-five million dollars (\$125,000,000) shall be used for the procurement of additional intercity railcars and locomotives.*

(3) *Of the funds remaining after the allocations in paragraph (2), 50 percent shall be distributed to the Controller, for allocation to eligible agencies using the formula in Section 99314 of the Public Utilities Code, and 50 percent shall be distributed to the Controller, for allocation to eligible agencies using the formula in Section 99313 of the Public Utilities Code, subject to the provisions governing funds allocated under those sections.*

(g) *One billion dollars (\$1,000,000,000) shall be deposited in the State-Local Partnership Program Account, which is hereby created in the fund. The funds shall be available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. A dollar for dollar match of local funds shall be required for an applicant transportation agency to receive state funds under this program.*

(h) *One billion dollars (\$1,000,000,000) shall be deposited in the Transit System Safety, Security, and Disaster Response Account, which is hereby created*



*in the fund. Funds in the account shall be made available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for capital projects that provide increased protection against a security and safety threat, and for capital expenditures to increase the capacity of transit operators, including waterborne transit operators, to develop disaster response transportation systems that can move people, goods, and emergency personnel and equipment in the aftermath of a disaster impairing the mobility of goods, people, and equipment.*

*(i) One hundred twenty-five million dollars (\$125,000,000) shall be deposited in the Local Bridge Seismic Retrofit Account, which is hereby created in the fund. The funds in the account shall be used, upon appropriation by the Legislature, to provide the 11.5 percent required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by the Department of Transportation.*

*(j) (1) Two hundred fifty million dollars (\$250,000,000) shall be deposited in the Highway-Railroad Crossing Safety Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, to the Department of Transportation for the completion of high-priority grade separation and railroad crossing safety improvements. Funds in the account shall be made available for allocation pursuant to the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code, except that a dollar for dollar match of nonstate funds shall be provided for each project, and the limitation on maximum project cost in subdivision (g) of Section 2454 of the Streets and Highways Code shall not be applicable to projects funded with these funds.*

*(2) Notwithstanding the funding allocation process described in paragraph (1), in consultation with the department and the Public Utilities Commission, the California Transportation Commission shall allocate one hundred million dollars (\$100,000,000) of the funds in the account to high-priority railroad crossing improvements, including grade separation projects, that are not part of the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code. The allocation of funds under this paragraph shall be made in consultation and coordination with the High-Speed Rail Authority created pursuant to Division 19.5 (commencing with Section 185000) of the Public Utilities Code.*

*(k) (1) Seven hundred fifty million dollars (\$750,000,000) shall be deposited in the Highway Safety, Rehabilitation, and Preservation Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, to the Department of Transportation, as allocated by the California Transportation Commission, for the purposes of the state highway operation and protection program as described in Section 14526.5.*

*(2) The department shall develop a program for distribution of two hundred and fifty million dollars (\$250,000,000) from the funds identified in paragraph (1) to fund traffic light synchronization projects or other technology-based improvements to improve safety, operations and the effective capacity of local streets and roads.*

*(l) (1) Two billion dollars (\$2,000,000,000) shall be deposited in the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, which is hereby created in the fund. The proceeds of bonds deposited into that account shall be available, upon appropriation by the Legislature, for the*

*purposes specified in this subdivision to the Controller for administration and allocation in the fiscal year in which the bonds are issued and sold, including any interest or other return earned on the investment of those moneys, in the following manner:*

*(A) Fifty percent to the counties, including a city and county, in accordance with the following formulas:*

*(i) Seventy-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.*

*(ii) Twenty-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this clause, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.*

*(B) Fifty percent to the cities, including a city and county, apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state, provided, however, that the Controller shall allocate a minimum of four hundred thousand dollars (\$400,000) to each city, pursuant to this subparagraph.*

*(2) Funds received under this subdivision shall be deposited as follows in order to avoid the commingling of those funds with other local funds:*

*(A) In the case of a city, into the city account that is designated for the receipt of state funds allocated for local streets and roads.*

*(B) In the case of an eligible county, into the county road fund.*

*(C) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for local streets and roads.*

*(3) For the purpose of allocating funds under this subdivision to cities and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.*

*(4) Funds apportioned to a city, county, or city and county under this subdivision shall be used for improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety that may include, but not be limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices, or the maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation funds for similar purposes.*

*(5) At the conclusion of each fiscal year during which a city or county expends the funds it has received under this subdivision, the Controller may verify the city's or county's compliance with paragraph (4). Any city or county that has not complied with paragraph (4) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (4) shall be reallocated to the other counties and cities whose expenditures are in compliance.*

Article 3. Fiscal Provisions

8879.25. Bonds in the total amount of nineteen billion nine hundred twenty-five million dollars (\$19,925,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.

8879.26. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except subdivision (a) of Section 16727 to the extent that subdivision is inconsistent with this chapter, and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8879.27. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is hereby created. For the purposes of this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of the Business, Transportation and Housing Agency, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation pursuant to this chapter is designated to be the "board."

8879.28. Upon request of the board stating that funds are needed for purposes of this chapter, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8879.23, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

8879.29. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

8879.30. Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:



*(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.*

*(b) The sum which is necessary to carry out Section 8879.32, appropriated without regard to fiscal years.*

8879.31. *The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter; less any amount withdrawn pursuant to Section 8879.32. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this chapter.*

8879.32. *For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.*

8879.33. *The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.*

8879.34. *Notwithstanding any provisions in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.*

8879.35. *The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*

8879.36. *Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

8879.37. *All money derived from premium and accrued interest on bonds sold pursuant to this chapter shall be transferred to the General Fund as a credit to expenditures for bond interest.*

1C. **Housing and Emergency Shelter Trust Fund Act of 2006.** (Statutes 2006, Chapter 27, SB 1689)

[Approved by electors November 7, 2006.]

**PROPOSED LAW**

SEC. 2. Part 12 (commencing with Section 53540) is added to Division 31 of the Health and Safety Code, to read:

**PART 12. HOUSING AND EMERGENCY SHELTER  
TRUST FUND ACT OF 2006**

**CHAPTER 1. GENERAL PROVISIONS**

53540. (a) *This part shall be known as the Housing and Emergency Shelter Trust Fund Act of 2006.*

(b) *This part shall only become operative upon adoption by the voters at the November 7, 2006, statewide general election.*

53541. *As used in this part, the following terms have the following meanings:*

(a) *“Board” means the Department of Housing and Community Development for programs administered by the department, and the California Housing Finance Agency for programs administered by the agency.*

(b) *“Committee” means the Housing Finance Committee created pursuant to Section 53524 and continued in existence pursuant to Section 53548.*

(c) *“Fund” means the Housing and Emergency Shelter Trust Fund created pursuant to Section 53545.*

**CHAPTER 2. HOUSING AND EMERGENCY SHELTER  
TRUST FUND OF 2006 AND PROGRAM**

53545. *The Housing and Emergency Shelter Trust Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the housing-related programs described in this chapter over the course of the next decade. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:*

(a) (1) *One billion five hundred million dollars (\$1,500,000,000) to be deposited in the Affordable Housing Account, which is hereby created in the fund. Notwithstanding Section 13340 of the Government Code, the money in the account shall be continuously appropriated in accordance with the following schedule:*

(A) (i) *Three hundred forty-five million dollars (\$345,000,000) 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. The priorities specified in Section 50675.13 shall apply to the expenditure of funds pursuant to this clause.*

(ii) *Fifty million dollars (\$50,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2 for housing meeting the definitions in paragraphs (2) and (3) of subdivision (e) of Section 11139.3 of the Government Code. The department may provide higher per-unit loan limits as necessary to achieve affordable housing costs to*

*the target population. Any funds not encumbered for the purposes of this clause within 30 months of availability shall revert for general use in the Multifamily Housing Program.*

*(B) One hundred ninety-five million dollars (\$195,000,000) 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, to be used for supportive housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. The Department of Housing and Community Development shall provide for higher per-unit loan limits as reasonably necessary to achieve housing costs affordable to those individuals and households. For purposes of this subparagraph, "supportive housing" means housing with no limit on length of stay, that is occupied by the target population, as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the tenant to retain the housing, improve his or her health status, maximize his or her ability to live, and, when possible, work in the community. The criteria for selecting projects shall give priority to:*

*(i) Supportive housing for people with disabilities who would otherwise be at high risk of homelessness where the applications represent collaboration with programs that meet the needs of the person's disabilities.*

*(ii) Projects that demonstrate funding commitments from local governments for operating subsidies or services funding, or both, for five years or longer.*

*(C) One hundred thirty-five million dollars (\$135,000,000) shall be transferred to the fund created by subdivision (b) of Section 50517.5 to be expended for the programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2.*

*(D) Three hundred million dollars (\$300,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the Department of Housing and Community Development, to be expended for the purposes of enabling households to become or remain homeowners pursuant to the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except 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.*

*(E) Two hundred million dollars (\$200,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the California Housing Finance 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. Up to one hundred million dollars (\$100,000,000) of these funds may be expended pursuant to subdivision (b) of Section 51504.*

*(F) One hundred million dollars (\$100,000,000) shall be transferred to the Affordable Housing Innovation Fund, which is hereby created in the State Treasury, to be administered by the Department of Housing and Community Development. Funds shall be expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Specific criteria establishing eligibility for and use of the funds shall be established in statute as approved by a 2/3 vote of each house of the Legislature. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall*

revert to the Self-Help Housing Fund created by Section 50697.1 and shall be available for the purposes described in subparagraph (D).

(G) One hundred twenty-five million dollars (\$125,000,000) 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 14.5 (commencing with Section 50860) of Part 1. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert for general use in the CalHome Program.

(H) Fifty million dollars (\$50,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be distributed in the form of capital development grants under the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31. The funds shall be administered by the Department of Housing and Community Development in a manner consistent with the restrictions and authorizations contained in Provision 3 of Item 2240-105-0001 of the Budget Act of 2000, except that any appropriations in that item shall not apply. The competitive system used by the department shall incorporate priorities set by the designated local boards and their input as to the relative merits of submitted applications from within the designated local board's county in relation to those priorities. In addition, the funding limitations contained in this section shall not apply to the appropriation in that budget item.

(2) 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 subdivision for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(3) 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 subdivision, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this subdivision. The first audit shall be conducted no later than one year from voter approval of this part.

(4) In its annual report to the Legislature, the Department of Housing and Community Development shall report how funds that were made available pursuant to this subdivision and allocated in the prior year were expended. The department shall make the report available to the public on its Internet Web site.

(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such other conditions and criteria as the Legislature may provide in statute, for the following purposes:

(1) For infill incentive grants for capital outlay related to infill housing development and other related infill development, including, but not limited to, all of the following:

(A) No more than two hundred million dollars (\$200,000,000) for park creation, development, or rehabilitation to encourage infill development.

(B) Water, sewer, or other public infrastructure costs associated with infill development.

(C) Transportation improvements related to infill development projects.

(D) Traffic mitigation.

(2) For brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans.

(c) Three hundred million dollars (\$300,000,000) to be deposited in the Transit-Oriented Development Account, which is hereby created in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 50560).

(d) Two hundred million dollars (\$200,000,000) shall be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which is hereby created in the fund. Funds in the account shall be available upon appropriation by the Legislature for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.

### CHAPTER 3. FISCAL PROVISIONS

53546. Bonds in the total amount of two billion eight hundred fifty million dollars (\$2,850,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.

53547. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except subdivision (a) of Section 16727 to the extent that it is inconsistent with this part, and all of the other provisions of that law as amended from time to time apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

53548. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the Housing Finance Committee created pursuant to Section 53524 is continued in existence. For the purposes of this part, the Housing Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application and are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) For the purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the "board" for programs administered by the department, and the California Housing Finance Agency is the "board" for programs administered by the agency.

53549. Upon request of the board stating that funds are needed for purposes of this part, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Section 53545, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry



*out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.*

*53550. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.*

*53551. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of the following:*

*(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.*

*(b) The sum which is necessary to carry out Section 53553, appropriated without regard to fiscal years.*

*53552. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this part. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this part, less any amount withdrawn pursuant to Section 53553. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this part.*

*53553. For the purpose of carrying out this part, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.*

*53554. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.*

*53555. Notwithstanding any provisions in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this part shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.*

*53556. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*

*53557. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this part that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code,*

*the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

53558. *All money derived from premium and accrued interest on bonds sold pursuant to this chapter shall be transferred to the General Fund as a credit to expenditures for bond interest.*

Number  
on ballot

1D. **Kindergarten-University Public Education Facilities Bond Act of 2006.**  
(Statutes 2006, Chapter 35, AB 127)

[Approved by electors November 7, 2006.]

**PROPOSED LAW**

SEC. 16. Part 69 (commencing with Section 101000) is added to the Education Code, to read:

**PART 69. KINDERGARTEN–UNIVERSITY PUBLIC EDUCATION  
FACILITIES BOND ACT OF 2006**

**CHAPTER 1. GENERAL**

101000. *This part shall be known and may be cited as the Kindergarten–University Public Education Facilities Bond Act of 2006.*

101001. *The incorporation of, or reference to, any provision of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.*

101002. (a) *Bonds in the total amount of ten billion four hundred sixteen million dollars (\$10,416,000,000), not including the amount of any refunding bonds issued in accordance with Sections 101030, 101039, and 101059, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.*

(b) *Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 or the Higher Education Facilities Finance Committee established pursuant to Section 67353, as the case may be, at any different times necessary to service expenditures required by the apportionments.*

**CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE**

**Article 1. Kindergarten Through 12th Grade School  
Facilities Program Provisions**

101010. *The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 101020) shall be deposited in the 2006 State School*

*Facilities Fund established in the State Treasury under subdivision (d) of Section 17070.40 and shall be allocated by the State Allocation Board pursuant to this chapter.*

101011. All moneys deposited in the 2006 State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 101012, to provide funds to repay any money advanced or loaned to the 2006 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

101012. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of one billion nine hundred million dollars (\$1,900,000,000) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10. Of the amount allocated under this paragraph, up to 10.5 percent shall be available for purposes of seismic repair, reconstruction, or replacement, pursuant to Section 17075.10.

(2) The amount of five hundred million dollars (\$500,000,000) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10.

(3) The amount of three billion three hundred million dollars (\$3,300,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(4) The amount of five hundred million dollars (\$500,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to facilities for career technical education programs.

(5) Of the amounts allocated under paragraphs (1) and (3), up to two hundred million dollars (\$200,000,000) for the purposes set forth in Chapter 894 of the Statutes of 2004, relating to incentives for the creation of smaller learning communities and small high schools.

(6) The amount of twenty-nine million dollars (\$29,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10, relating to joint use projects.

(7) The amount of one billion dollars (\$1,000,000,000) shall be available for providing new construction funding to severely overcrowded schoolsites pursuant to Article 14 (commencing with Section 17079) of Chapter 12.5 of Part 10.

(8) The amount of one hundred million dollars (\$100,000,000) for incentive grants to promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools, including, but not limited to, the elements set forth in Section 17070.96, pursuant to regulations adopted by the State Allocation Board.

(b) School districts may use funds allocated pursuant to paragraph (3) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.



(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high-priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may also be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (8), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (8), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.

## Article 2. Kindergarten Through 12th Grade School Facilities Fiscal Provisions

101020. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the amount of seven billion three hundred twenty-nine million dollars (\$7,329,000,000) not including the amount of any refunding bonds issued in accordance with Section 101030, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established pursuant to Section 15909 at any different times necessary to service expenditures required by the apportionments.

101021. The State School Building Finance Committee, established by Section 15909 and composed of the Governor, the Controller, the Treasurer, the Director of Finance, and the Superintendent, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall serve as chairperson of the committee. Two

*Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet with and provide advice to the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the powers granted to, and duties imposed upon, those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide assistance to the committee as it may require. The Attorney General of the state is the legal adviser of the committee.*

101022. (a) *The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.*

(b) *For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board" for purposes of administering the 2006 State School Facilities Fund.*

101023. (a) *Upon request of the State Allocation Board, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.*

(b) *A request of the State Allocation Board pursuant to subdivision (a) shall be supported by a statement of the apportionments made and to be made for the purposes described in Sections 101011 and 101012.*

101024. *There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.*

101025. *Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:*

(a) *The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.*

(b) *The sum necessary to carry out Section 101028, appropriated without regard to fiscal years.*

101026. *The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled*

*Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.*

*101027. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

*101028. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.*

*101029. All money deposited in the 2006 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.*

*101030. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.*

*101031. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*

### CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

#### Article 1. General

*101032. (a) The 2006 California Community College Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.*

*(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the California Community Colleges.*

*Article 2. California Community College Program Provisions*

*101033. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 101034), the sum of one billion five hundred seven million dollars (\$1,507,000,000) shall be deposited in the 2006 California Community College Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.*

*(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges.*

*(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.*

*Article 3. California Community College Fiscal Provisions*

*101034. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the total amount of one billion five hundred seven million dollars (\$1,507,000,000), not including the amount of any refunding bonds issued in accordance with Section 101039, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.*

*(b) It is the intent of the Legislature that the California Community Colleges annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.*

*(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.*

*101034.5. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.*

*(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2006 Community College Capital*

*Outlay Bond Fund is designated as the “board” for projects funded pursuant to this chapter.*

*(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for the purpose of funding aid to the California Community Colleges for the construction on existing or new campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.*

*101035. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.*

*101035.5. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.*

*101036. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:*

*(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.*

*(b) The sum necessary to carry out Section 101037.5, appropriated without regard to fiscal years.*

*101036.5. The board, as defined in subdivision (b) of Section 101034.5, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 101034.5, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.*

*101037. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect*



to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101037.5. (a) For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 California Community College Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the California Community Colleges shall be accompanied by the five-year capital outlay plan that reflects the needs and priorities of the community college system and is prioritized on a statewide basis. Requests shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the particular college, seismic hazards in buildings identified as high priority by the college.

101038. All money deposited in the 2006 California Community College Capital Outlay Bond Fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

101039. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101039.5. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

#### CHAPTER 4. UNIVERSITY FACILITIES

##### Article 1. General

101040. (a) The system of public universities in this state includes the University of California, the Hastings College of the Law, and the California State University, and their respective off-campus centers.

(b) The 2006 University Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(c) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the University of California, the Hastings College of the Law, and the California State University.

*Article 2. Program Provisions Applicable to the  
University of California and the Hastings College of the Law*

101041. (a) *From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101050), the sum of eight hundred ninety million dollars (\$890,000,000) shall be deposited in the 2006 University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.*

(b) *The purposes of this article include assisting in meeting the capital outlay financing needs of the University of California and the Hastings College of the Law.*

(c) *Of the amount made available under subdivision (a), the amount of two hundred million dollars (\$200,000,000) shall be used for capital improvements that expand and enhance medical education programs with an emphasis on telemedicine aimed at developing high-tech approaches to health care.*

(d) *Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the University of California and the Hastings College of the Law.*

*Article 3. Program Provisions Applicable to the California State University*

101042. (a) *From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101050), the sum of six hundred ninety million dollars (\$690,000,000) shall be deposited in the 2006 University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.*

(b) *The purposes of this article include assisting in meeting the capital outlay financing needs of the California State University.*

(c) *Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California State University.*

*Article 4. University Fiscal Provisions*

101050. (a) *Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the amount of one billion five hundred eighty million dollars (\$1,580,000,000), not including the amount of any refunding bonds issued in accordance with Section 101059, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5*

*of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.*

*(b) It is the intent of the Legislature that the University of California and the California State University annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15 of each year, those entities report their findings to the budget committees of each house of the Legislature.*

*(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.*

*101051 (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.*

*(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2006 University Capital Outlay Bond Fund is designated as the "board" for projects funded pursuant to this chapter.*

*(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for the purpose of funding aid to the University of California, the Hastings College of the Law, and the California State University, for the construction on existing or new campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.*

*101052. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.*

*101053. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.*

*101054. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:*



(a) *The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.*

(b) *The sum necessary to carry out Section 101057, appropriated without regard to fiscal years.*

101055. *The board, as defined in subdivision (b) of Section 101051, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 101051, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.*

101056. *Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

101057. (a) *For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 University Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.*

(b) *Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the University of California, the Hastings College of the Law, or the California State University shall be accompanied by the five-year capital outlay plan. Requests forwarded by a university or college shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the particular university or college, seismic hazards in buildings identified as high priority by the university or college.*

101058. *All money deposited in the 2006 University Capital Outlay Bond Fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.*

101059. *The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2*

of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101060. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 20. (a) Up to twenty-one million dollars (\$21,000,000) of any funds that are required to be made available for rehabilitation or construction of joint-use facilities for public schools and that result or are derived from the sale of bonds issued on or before January 1, 2006, shall be transferred to the State Allocation Board and may be apportioned by that board for the purposes of Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 of the Education Code.

(b) Any funds remaining after the transfer required under subdivision (a) that conform to the description set forth in that subdivision shall be transferred to the State Allocation Board and may be apportioned by that board for any of the purposes of Chapter 12.5 (commencing with Section 17070.10) of Part 10 of the Education Code.

Number  
on ballot

1E. **Disaster Preparedness and Flood Prevention Bond Act of 2006.** (Statutes 2006, Chapter 33, AB 140)

[Approved by electors November 7, 2006.]

**PROPOSED LAW**

SECTION 1. Chapter 1.699 (commencing with Section 5096.800) is added to Division 5 of the Public Resources Code, to read:

*CHAPTER 1.699. DISASTER PREPAREDNESS AND  
FLOOD PREVENTION BOND ACT OF 2006*

*Article 1. General Provisions*

5096.800. *This chapter shall be known and may be cited as the Disaster Preparedness and Flood Prevention Bond Act of 2006.*

*Article 2. Definitions*

5096.805. *Unless the context otherwise requires, the definitions set forth in this article govern the construction of this chapter.*

(a) *“Board” means the Reclamation Board or successor entity.*

(b) *“Committee” means the Disaster Preparedness and Flood Prevention Bond Finance Committee, created by Section 5096.957.*

(c) *“Delta” means the area of the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code.*

(d) *“Department” means the Department of Water Resources.*

(e) *“Facilities of the State Plan of Flood Control” means the levees, weirs, channels, and other features of the federal and state authorized flood control*

facilities located in the Sacramento and San Joaquin River drainage basin for which the board or the department has given the assurances of nonfederal cooperation to the United States required for the project, and those facilities identified in Section 8361 of the Water Code.

(f) “Fund” means the Disaster Preparedness and Flood Prevention Bond Fund of 2006, created by Section 5096.806.

(g) “Project levees” means the levees that are part of the facilities of the State Plan of Flood Control.

(h) “Restoration” means the improvement of a physical structure or facility and, in the case of natural system and landscape features includes, but is not limited to, a project for the control of erosion, the control and elimination of exotic species, including prescribed burning, fuel hazard reduction, fencing out threats to existing or restored natural resources, road elimination, and other plant and wildlife habitat improvement to increase the natural system value of the property. A restoration project shall include the planning, monitoring, and reporting necessary to ensure successful implementation of the project objectives.

(i) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(j) “State Plan of Flood Control” means the state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations of the Sacramento River Flood Control Project described in Section 8350 of the Water Code, and of flood control projects in the Sacramento River and San Joaquin River watersheds authorized pursuant to Article 2 (commencing with Section 12648) of Chapter 2 of Part 6 of Division 6 of the Water Code for which the board or the department has provided the assurances of nonfederal cooperation to the United States, which shall be updated by the department and compiled into a single document entitled “The State Plan of Flood Control.”

(k) “Urban area” means any contiguous area in which more than 10,000 residents are protected by project levees.

#### *Article 3. Disaster Preparedness and Flood Prevention Bond Fund of 2006*

5096.806. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Disaster Preparedness and Flood Prevention Bond Fund of 2006, which is hereby created.

#### *Article 4. Disaster Preparedness and Flood Prevention Program*

5096.820. (a) The sum of four billion ninety million dollars (\$4,090,000,000) shall be available, upon appropriation therefor, for disaster preparedness and flood prevention projects pursuant to this article.

(b) In expending funds pursuant to this article, the Governor shall do all of the following:

(1) Secure the maximum feasible amounts of federal and local matching funds to fund disaster preparedness and flood prevention projects in order to ensure prudent and cost-effective use of these funds to the extent that this does not prohibit timely implementation of this article.

(2) Prioritize project selection and project design to achieve maximum public benefits from the use of these funds.

(3) In connection with the submission of the annual Governor’s Budget, submit an annual Bond Expenditure Disaster Preparedness and Flood Prevention Plan that describes in detail the proposed expenditures of bond funds, the amount of

*federal appropriations and local funding obtained to fund disaster preparedness and flood prevention projects to match those expenditures, and an investment strategy to meet long-term flood protection needs and minimize state taxpayer liabilities from flooding.*

5096.821. *Three billion dollars (\$3,000,000,000) shall be available, upon appropriation to the department, for the following purposes:*

*(a) The evaluation, repair, rehabilitation, reconstruction, or replacement of levees, weirs, bypasses, and facilities of the State Plan of Flood Control by all of the following actions:*

*(1) Repairing erosion sites and removing sediment from channels or bypasses.*

*(2) Evaluating and repairing levees and any other facilities of the State Plan of Flood Control.*

*(3) Implementing mitigation measures for a project undertaken pursuant to this subdivision. The department may fund participation in a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code to facilitate projects authorized by this subdivision.*

*(b) Improving or adding facilities to the State Plan of Flood Control to increase levels of flood prevention for urban areas, including all related costs for mitigation and infrastructure relocation. Funds made available by this subdivision may be expended for state financial participation in federal and state authorized flood control projects, feasibility studies and design of federal flood damage reduction and related projects, and reservoir reoperation and groundwater flood storage projects. Not more than two hundred million dollars (\$200,000,000) may be expended on a single project, excluding authorized flood control improvements to Folsom Dam.*

*(c) (1) To reduce the risk of levee failure in the delta.*

*(2) The funds made available for the purpose specified in paragraph (1) shall be expended for both of the following purposes:*

*(A) Local assistance under the delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6 of the Water Code, as that part may be amended.*

*(B) Special flood protection projects under Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6 of the Water Code, as that chapter may be amended.*

5096.824. *(a) Five hundred million dollars (\$500,000,000) shall be available, upon appropriation to the department, for payment for the state's share of the nonfederal costs, and related costs, of flood control and flood prevention projects authorized under any of the following:*

*(1) The State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6 of the Water Code).*

*(2) The Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6 of the Water Code).*

*(3) The California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code).*

*(b) The costs described in subdivision (a) include costs incurred in connection with either of the following:*

*(1) The granting of credits or loans to local agencies, as applicable, pursuant to Sections 12585.3, 12585.4 of, subdivision (d) of Section 12585.5 of, and Sections 12866.3 and 12866.4 of, the Water Code.*

(2) *The implementation of Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6 of the Water Code.*

(c) *The funds made available by this section shall be allocated only to projects that are not part of the State Plan of Flood Control.*

5096.825. *Two hundred ninety million dollars (\$290,000,000) shall be available, upon appropriation, for the protection, creation, and enhancement of flood protection corridors and bypasses through any of the following actions:*

(a) *Acquiring easements and other interests in real property to protect or enhance flood protection corridors and bypasses while preserving or enhancing the agricultural use of the real property.*

(b) *Constructing new levees necessary for the establishment of a flood protection corridor or bypass.*

(c) *Setting back existing flood control levees, and in conjunction with undertaking those setbacks, strengthening or modifying existing levees and weirs.*

(d) *Relocating or flood proofing structures necessary for the establishment of a flood protection corridor.*

(e) *Acquiring interests in, or providing incentives for maintaining agricultural uses of, real property that is located in a flood plain that cannot reasonably be made safe from future flooding.*

(f) *Acquiring easements and other interests in real property to protect or enhance flood protection corridors while preserving or enhancing the wildlife value of the real property.*

(g) *Flood plain mapping and related activities, including both of the following:*

(1) *The development of flood hazard maps, including all necessary studies and surveys.*

(2) *Alluvial fan flood plain mapping.*

5096.827. *Three hundred million dollars (\$300,000,000) shall be available, upon appropriation to the department, for grants for stormwater flood management projects that meet all of the following requirements:*

(a) *Have a nonstate cost share of not less than 50 percent.*

(b) *Are not part of the State Plan of Flood Control.*

(c) *Are designed to manage stormwater runoff to reduce flood damage and where feasible, provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration.*

(d) *Comply with applicable regional water quality control plans.*

(e) *Are consistent with any applicable integrated regional water management plan.*

5096.828. *Funds provided by this article are only available for appropriation until July 1, 2016, and at that time the amount of indebtedness authorized by this chapter shall be reduced by the amount of funds provided by this article that have not been appropriated.*

#### *Article 16. Program Expenditures*

5096.953. *The Secretary of the Resources Agency shall provide for an independent audit of expenditures pursuant to this chapter to ensure that all moneys are expended in accordance with the requirements of this chapter. The secretary shall publish a list of all program and project expenditures pursuant to this chapter not less than annually, in written form, and shall post an electronic form of the list on the Resources Agency's Internet Web site.*



*Article 17. Fiscal Provisions*

5096.955. (a) Bonds in the total amount of four billion ninety million dollars (\$4,090,000,000), not including the amount of any refunding bonds issued in accordance with Section 5096.966, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

5096.956. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

5096.957. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is hereby created. For the purposes of this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

5096.958. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter to carry out this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5096.959. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

5096.960. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out Section 5096.963, appropriated without regard to fiscal years.

5096.961. *The department may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The department shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the department in accordance with this chapter.*

5096.962. *Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.*

5096.963. *For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.*

5096.964. *All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.*

5096.965. *Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded through this bond act.*

5096.966. *The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.*

5096.967. *The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.*



## MEASURES DEFEATED

### INITIATIVE CONSTITUTIONAL AMENDMENTS

Number  
on ballot

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

[Submitted by the initiative and rejected by electors November 7, 2006.]

### 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 and medical decisions involving their children, and promoting and enabling parental care and 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 known to be pregnant, except for the purpose of producing a live birth. "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 of an unemancipated minor, informing the parent or guardian that she is pregnant and that she has requested an abortion.*

*(4) "Parent or guardian" means a person who, at the time notice or waiver is required under this section, is either a parent if both parents have legal custody, or the parent or person having legal custody, or the legal guardian of an unemancipated 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 the physician or the physician's agent has provided written notice to her parent or guardian 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 a valid 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 unless delivered by mail, as provided in subdivision (d). 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) The written notice may be delivered 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. 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 her 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 parent or guardian shall specify on the form that the waiver is valid for 30 days, or until a specified date, or until the minor's eighteenth birthday. 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. For each abortion performed on an unemancipated minor pursuant to this subdivision, the physician or the physician's agent must receive a separate original written waiver that shall be retained with the unemancipated minor's medical records.*

*(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.*

*(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 minor or person designated by the minor in preparing the documents required pursuant to this section. The petition shall set forth with specificity the 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. The unemancipated 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 to 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 to a parent or guardian is not in the best interests of the minor is based on evidence of physical, sexual, or emotional abuse, 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 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 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 unemancipated minor or her parent(s) or guardian by name or request other information by which the unemancipated 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 numbers of the unemancipated minor's previous abortions and deliveries if known, and the facility where the abortion was performed. The forms shall also indicate whether the abortion was performed after personal delivery of a notice, pursuant to subdivision (c); or was an abortion performed after presumed delivery of a notice by mail, pursuant to subdivision (d); or was an abortion performed after receiving a waiver of notice, pursuant to subdivision (e); or was an abortion performed without notice, pursuant to subdivision (f); or was an abortion performed after receiving any judicial waiver of notice, pursuant to subdivision (h), (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, the numbers of prior abortions or deliveries where known, and the numbers of abortions performed after personal delivery of a notice, pursuant to subdivision (c); the numbers of abortions performed after presumed delivery of a notice by mail, pursuant to subdivision (d); the numbers of abortions performed after a waiver of notice, pursuant to subdivision (e); the numbers of abortions performed without notice, pursuant to subdivision (f); and the numbers of abortions performed after any judicial waivers, pursuant to subdivision (h), (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 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), (h), (i), or (j), except where the particular circumstances of a medical emergency 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), (h), (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.*

Number  
on ballot

90. **Government Acquisition, Regulation of Private Property.**

[Submitted by the initiative and rejected by electors November 7, 2006.]

**PROPOSED LAW**

**SECTION 1. STATEMENT OF FINDINGS**

(a) The California Constitution provides that no person shall be deprived of property without due process of law and allows government to take or damage private property only for a public use and only after payment to the property owner of just compensation.

(b) Despite these constitutional protections, state and local governments have undermined private property rights through an excessive use of eminent domain power and the regulation of private property for purposes unrelated to public health and safety.

(c) Neither the federal nor the California courts have protected the full scope of private property rights found in the state constitution. The courts have allowed local governments to exercise eminent domain powers to advance private economic interests in the face of protests from affected homeowners and neighborhood groups. The courts have not required government to pay compensation to property owners when enacting statutes, charter provisions, ordinances, resolutions, laws, rules or regulations not related to public health and safety that reduce the value of private property.

(d) As currently structured, the judicial process in California available to property owners to pursue property rights claims is cumbersome and costly.

**SEC. 2. STATEMENT OF PURPOSE**

(a) The power of eminent domain available to government in California shall be limited to projects of public use. Examples of public use projects include, but are not limited to, road construction, the creation of public parks, the creation of public facilities, land-use planning, property zoning, and actions to preserve the public health and safety.

(b) Public use projects that the government assigns, contracts or otherwise arranges for private entities to perform shall retain the power of eminent domain. Examples of public use projects that private entities perform include, but are not limited to, the construction and operation of private toll roads and privately-owned prison facilities.

(c) Whenever government takes or damages private property for a public use, the owner of any affected property shall receive just compensation for the property taken or damaged. Just compensation shall be set at fair market value for property taken and diminution of fair market value for property damaged. Whenever a property owner and the government cannot agree on fair compensation, the California courts shall provide through a jury trial a fair and timely process for the settlement of disputes.

(d) This constitutional amendment shall apply prospectively. Its terms shall apply to any eminent domain proceeding brought by a public agency not



yet subject to a final adjudication. No statute, charter provision, ordinance, resolution, law, rule or regulation in effect on the date of enactment that results or has resulted in a substantial loss to the value of private property shall be subject to the new provisions of Section 19 of Article I.

(e) Therefore, the people of the state of California hereby enact “The Protect Our Homes Act.”

SEC. 3. Section. 19 of Article I of the California Constitution is amended to read:

SEC. 19. (a) (1) Private property may be taken or damaged *only* for a *stated* public use *and* only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. *Private property may not be taken or damaged for private use.*

(2) *Property taken by eminent domain shall be owned and occupied by the condemnor, or another governmental agency utilizing the property for the stated public use by agreement with the condemnor, or may be leased to entities that are regulated by the Public Utilities Commission or any other entity that the government assigns, contracts or arranges with to perform a public use project. All property that is taken by eminent domain shall be used only for the stated public use.*

(3) *If any property taken through eminent domain after the effective date of this subdivision ceases to be used for the stated public use, the former owner of the property or a beneficiary or an heir, if a beneficiary or heir has been designated for this purpose, shall have the right to reacquire the property for the fair market value of the property before the property may be otherwise sold or transferred. Notwithstanding subdivision (a) of Section 2 of Article XIII A, upon reacquisition the property shall be appraised by the assessor for purposes of property taxation at its base year value, with any authorized adjustments, as had been last determined in accordance with Article XIII A at the time the property was acquired by the condemnor.*

(4) 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.

(b) *For purposes of applying this section:*

(1) *“Public use” shall have a distinct and more narrow meaning than the term “public purpose”; its limiting effect prohibits takings expected to result in transfers to nongovernmental owners on economic development or tax revenue enhancement grounds, or for any other actual uses that are not public in fact, even though these uses may serve otherwise legitimate public purposes.*

(2) *Public use shall not include the direct or indirect transfer of any possessory interest in property taken in an eminent domain proceeding from one private party to another private party unless that transfer proceeds pursuant to a government assignment, contract or arrangement with a private entity whereby the private entity performs a public use project. In all eminent domain actions, the government shall have the burden to prove public use.*

(3) *Unpublished eminent domain judicial opinions or orders shall be null and void.*

(4) *In all eminent domain actions, prior to the government’s occupancy, a property owner shall be given copies of all appraisals by the government and shall be entitled, at the property owner’s election, to a separate and distinct determination by a superior court jury, as to whether the taking is actually for a public use.*



(5) *If a public use is determined, the taken or damaged property shall be valued at its highest and best use without considering any future dedication requirements imposed by the government. If private property is taken for any proprietary governmental purpose, then the property shall be valued at the use to which the government intends to put the property, if such use results in a higher value for the land taken.*

(6) *In all eminent domain actions, “just compensation” shall be defined as that sum of money necessary to place the property owner in the same position monetarily, without any governmental offsets, as if the property had never been taken. “Just compensation” shall include, but is not limited to, compounded interest and all reasonable costs and expenses actually incurred.*

(7) *In all eminent domain actions, “fair market” value shall be defined as the highest price the property would bring on the open market.*

(8) *Except when taken to protect public health and safety, “damage” to private property includes government actions that result in substantial economic loss to private property. Examples of substantial economic loss include, but are not limited to, the downzoning of private property, the elimination of any access to private property, and limitations on the use of private air space. “Government action” shall mean any statute, charter provision, ordinance, resolution, law, rule or regulation.*

(9) *A property owner shall not be liable to the government for attorney fees or costs in any eminent domain action.*

(10) *For all provisions contained in this section, “government” shall be defined as the State of California, its political subdivisions, agencies, any public or private agent acting on their behalf, and any public or private entity that has the power of eminent domain.*

(c) *Nothing in this section shall prohibit the California Public Utilities Commission from regulating public utility rates.*

(d) *Nothing in this section shall restrict administrative powers to take or damage private property under a declared state of emergency.*

(e) *Nothing in this section shall prohibit the use of condemnation powers to abate nuisances such as blight, obscenity, pornography, hazardous substances or environmental conditions, provided those condemnations are limited to abatement of specific conditions on specific parcels.*

#### SEC. 4. IMPLEMENTATION AND AMENDMENT

This section shall be self-executing. The Legislature may adopt laws to further the purposes of this section and aid in its implementation. No amendment to this section may be made except by a vote of the people pursuant to Article II or Article XVIII of the California Constitution.

#### SEC. 5. SEVERABILITY

The provisions of this section are severable. If any provision of this section or its application is held invalid, that finding shall not affect other provisions or applications that can be given effect without the invalid provision or application.

#### SEC. 6. EFFECTIVE DATE

This section shall become effective on the day following the election pursuant to subdivision (a) of Section 10 of Article II of the California Constitution.

The provisions of this section shall apply immediately to any eminent domain proceeding by a public agency in which there has been no final adjudication.

Other than eminent domain powers, the provisions added to this section shall not apply to any statute, charter provision, ordinance, resolution, law, rule or regulation in effect on the date of enactment that results in substantial economic

loss to private property. Any statute, charter provision, ordinance, resolution, law, rule or regulation in effect on the date of enactment that is amended after the date of enactment shall continue to be exempt from the provisions added to this section provided that the amendment both serves to promote the original policy of the statute, charter provision, ordinance, resolution, law, rule or regulation and does not significantly broaden the scope of application of the statute, charter provision, ordinance, resolution, law, rule or regulation being amended. The governmental entity making the amendment shall make a declaration contemporaneously with enactment of the amendment that the amendment promotes the original policy of the statute, charter provision, ordinance, resolution, law, rule or regulation and does not significantly broaden its scope of application. The question of whether an amendment significantly broadens the scope of application is subject to judicial review.

## **INITIATIVE CONSTITUTIONAL AMENDMENTS AND STATUTES**

*Number  
on ballot*

### **86. Tax on Cigarettes.**

[Submitted by the initiative and rejected by electors November 7, 2006.]

## **PROPOSED LAW**

### **THE TOBACCO TAX ACT OF 2006**

#### **SECTION 1. Statement of Findings**

(a) Cigarette smoking and other uses of tobacco are leading causes of many serious health problems, including cancer, heart disease and respiratory diseases. The treatment of tobacco-related diseases imposes a significant burden upon California's already overstressed health care system. Prior efforts to curb the use of tobacco have not sufficiently eased the health care burden on the taxpayers of California.

(b) Tobacco use costs Californians billions of dollars a year in medical expenses and lost productivity.

(c) Currently, the state imposes a tax on cigarettes and tobacco products. Funds from that tax are used in part by the state to fund programs to offset the adverse health consequences of tobacco use. The tobacco tax is an appropriate source to fund prevention, research and treatment of chronic diseases, including improved access to health care for children and adults.

(d) The tax on tobacco products in California has not been raised since 1998. As a consequence, the total tax levied on tobacco products is much less than in many other states. Yet the health consequences to our citizens, particularly children and young adults, and the corresponding burden on our state's health care system continue.

(e) The deterioration of the state's hospital emergency services network has left many communities unable to adequately cope with the normal flow of emergency services. This emergency services crisis imposes a significant burden on our community clinics and keeps them from fulfilling their important health care function for low income children and adults.

(f) Funds which could be used to provide pioneering research into the prevention and treatment of chronic diseases, and health insurance for our most

vulnerable children, are increasingly diverted to address the health care crisis caused, in part, by tobacco-related illnesses.

(g) Almost 80% of adult smokers become addicted to tobacco before age 18. Increasing the cost of cigarettes and other tobacco products and providing a comprehensive tobacco control program have proven to be two of the most effective ways to reduce smoking among youth and the associated health problems and economic costs.

(h) The establishment of programs designed to (1) reduce the consumption of tobacco in the first instance, (2) fund research, early detection and treatment of chronic diseases, and (3) preserve access to emergency hospital services performed by well-trained doctors and nurses, is vital to the public's interest.

#### SEC. 2. Statement of Purpose

(a) The people of California hereby increase the tax on tobacco to reduce the economic costs of tobacco use in California and to provide supplemental funding to:

- (1) promote medical research into chronic diseases, particularly cancer;
- (2) reduce the impact of chronic diseases through prevention, early detection, treatment and comprehensive health insurance; and
- (3) improve access to and delivery of health care, particularly emergency health services.

#### SEC. 3. Tobacco Tax

Article 4 (commencing with Section 30132) is added to Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, to read:

##### *Article 4. The Tobacco Tax of 2006 Trust Fund*

*30132. The Tobacco Tax of 2006 Trust Fund ("Tobacco Trust Fund") is hereby created in the State Treasury. The fund shall consist of all revenues deposited therein pursuant to this Article, including interest and investment income. Moneys deposited into the Tobacco Tax of 2006 Trust Fund shall be allocated and are continuously appropriated for the exclusive purpose of funding the programs and services in Section 30132.3 and shall be available for expenditure without regard to fiscal years.*

*30132.1. (a) In addition to the taxes imposed upon the distribution of cigarettes by Article 1 (commencing with Section 30101) and Article 2 (commencing with Section 30121) and Article 3 (commencing with Section 30131) and any other taxes in this Chapter, there shall be imposed an additional tax upon every distributor of cigarettes at the rate of one hundred thirty mills (\$0.130) for each cigarette distributed.*

*(b) For purposes of this Article, the term "cigarette" has the same meaning as in Section 30003, as it read on January 1, 2005.*

*(c) The tax imposed by this Section, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, shall be imposed on every cigarette and on all tobacco products in the possession or under the control of every dealer, wholesaler, and distributor on and after 12:01 a.m. on January 1, 2007, pursuant to rules and regulations promulgated by the State Board of Equalization.*

*30132.2. The State Board of Equalization shall determine within one year of the passage of this Act, and annually thereafter, the effect that the additional tax imposed on cigarettes by this Act, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, have on the consumption of cigarettes and tobacco products in this state. To the extent that a decrease in consumption is determined by the State Board of Equalization to be*

*a direct result of the additional tax imposed by this Act, or the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, the State Board of Equalization shall determine the fiscal effect the decrease in consumption has on the California Children and Families Trust Fund created by Proposition 10 (1998). Funds shall be transferred from the Tobacco Trust Fund to the California Children and Families Trust Fund as necessary to offset the revenue decrease directly resulting from imposition of the additional tax imposed by this Act, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123. The reimbursements shall occur, and at such times, as determined necessary to further the intent of this Section.*

*30132.3. Except for payments of refunds made pursuant to Article 1 (commencing with Section 30361) of Chapter 6, reimbursement of the State Board of Equalization for expenses incurred in the administration and collection of the tax imposed by Section 30132.1 and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, and transfers of funds in accordance with Section 30132.2, all moneys raised pursuant to the tax imposed by Section 30132.1, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, shall be deposited in the Tobacco Trust Fund. Moneys shall be allocated and appropriated from the Tobacco Trust Fund, as follows:*

*(a) To the Health and Disease Research Account, which is hereby created, five percent (5%), allocated to the following Sub-Accounts for the purposes stated therein:*

*(1) Thirty-four percent (34%) shall be deposited in a Tobacco Control Research Sub-Account, which is hereby created. All funds in the Tobacco Control Research Sub-Account shall be continuously appropriated to the University of California to be used solely to supplement the Tobacco Related Disease Research Program described in Article 2 (commencing with Section 104500) of Chapter 1 of Part 3 of Division 103 of the Health and Safety Code. The research funded by the Tobacco-Related Disease Research Program with these supplementary funds shall include, but not be limited to:*

*(A) Research to improve the effectiveness of tobacco control efforts in California, including programs and strategies for governmental and other organizations to reduce tobacco use and exposure to secondhand smoke; and*

*(B) Research on the prevention, causes, and treatment of tobacco-related diseases, including, but not limited to coronary heart disease, cerebrovascular disease, chronic obstructive lung disease, and cancer.*

*(2) Fourteen and one-half percent (14.50%) shall be deposited in a Cancer Registry Sub-Account, which is hereby created. All funds in the Cancer Registry Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for a statewide population-based cancer surveillance system as provided for in Chapter 2 (commencing with Section 103875) of Part 2 of Division 102 of the Health and Safety Code.*

*(3) Twenty-five and three-fourths percent (25.75%) shall be deposited in a Breast Cancer Research Sub-Account, which is hereby created. All funds in the Breast Cancer Research Sub-Account shall be continuously appropriated to the University of California to be used solely for the Breast Cancer Research Program provided for in Article 1 (commencing with Section 104145) of Chapter 2 of Part 1 of Division 103 of the Health and Safety Code.*

*(4) Fourteen and three-fourths percent (14.75%) shall be deposited in a Cancer Research Sub-Account, which is hereby created. All funds in the*

*Cancer Research Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for the Cancer Research Program described in Section 104181 of the Health and Safety Code, with a focus on applied research, which includes but is not limited to, research that is geared towards the accelerated transfer of recent laboratory and clinical technologic advances into primary care, public health and community settings so that the majority of California's population may benefit. This research should be focused on converting recent discoveries into interventions and technologies, proving that they work, and learning how best to apply them.*

*(5) Eleven percent (11%) shall be deposited in the Lung Cancer and Lung Disease Research Sub-Account, which is hereby created. All funds deposited in the Lung Cancer and Lung Disease Research Sub-Account shall be continuously appropriated to the University of California to be used solely to provide research grants to develop and advance the understanding, causes, techniques, and modalities effective in the prevention, care, treatment, and cure of lung disease. For purposes of this Section, the lung disease research areas shall include, but not be limited to lung cancer, asthma, tuberculosis, and chronic obstructive pulmonary disease, which includes chronic bronchitis and emphysema.*

*(b) To the Health Maintenance and Disease Prevention Account, which is hereby created, forty-two and one-fourth of one percent (42.25%), allocated to the following Sub-Accounts for the purposes stated therein:*

*(1) Six and three-fourths percent (6.75%) shall be deposited in the Tobacco Control Media Campaign Sub-Account, which is hereby created. All funds in the Tobacco Control Media Campaign Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for media advertisements and public relations programs to prevent and reduce the use of tobacco products as described in paragraph (1) of subdivision (e) of Section 104375 of the Health and Safety Code.*

*(2) Four and one-half percent (4.50%) shall be deposited in a Tobacco Control Competitive Grants Sub-Account, which is hereby created. All funds in the Tobacco Control Competitive Grants Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for the competitive grants program directed at the prevention of tobacco-related diseases as described in Section 104385 of the Health and Safety Code.*

*(3) Four and one-fourths percent (4.25%) shall be deposited in a Local Health Department Tobacco Prevention Sub-Account, which is hereby created. All funds in the Local Health Department Tobacco Prevention Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for local-health-department-based programs to prevent tobacco use as described in Section 104400 of the Health and Safety Code. Notwithstanding Section 104380 of the Health and Safety Code, funds from the Local Health Department Tobacco Prevention Sub-Account shall be appropriated to local lead agencies based on each county's proportion of the statewide population.*

*(4) One-half percent (0.50%) shall be deposited in a Tobacco Control Evaluation Sub-Account, which is hereby created. All funds in the Tobacco Control Evaluation Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for evaluation of tobacco control programs as required by subdivisions (b) and (c) of Section 104375 of the Health and Safety Code.*

*(5) Three and one-half percent (3.50%) shall be deposited in a Tobacco Education Sub-Account, which is hereby created. All funds in the Tobacco*



*Education Sub-Account shall be continuously appropriated to the State Department of Education to be used solely for programs to prevent or reduce the use of tobacco products as described in Section 104420 of the Health and Safety Code. Any program receiving funds pursuant to this section must participate in program evaluations conducted by the State Department of Health Services pursuant to Article 1 (commencing with Section 104350) of Chapter 1 of Part 3 of Division 103 of the Health and Safety Code. At least two percent (2%) of the money in the Tobacco Education Sub-Account shall be used solely for administration of the department's tobacco prevention education program as described in Sections 104420 and 104425 of the Health and Safety Code.*

*(6) Two and one-fourths percent (2.25%) shall be deposited in the Tobacco Control Enforcement Sub-Account, which is hereby created. All funds in the Tobacco Control Enforcement Sub-Account shall be used solely for programs to enforce tobacco-related statutes and policies, to enforce legal settlement provisions, and to conduct law enforcement training and technical assistance activities, and shall be appropriated as follows:*

*(A) Fifty percent (50%) of the funds in the Tobacco Control Enforcement Sub-Account is continuously appropriated to the State Department of Health Services to be used to support programs, including, but not limited to: providing grants to local law enforcement agencies to provide training and funding for the enforcement of state and local tobacco-related laws and policies, including, but not limited to the illegal sales of tobacco to minors, tobacco retailer licensing and exposure to secondhand smoke; and increasing investigative activities, compliance checks and other appropriate activities to reduce illegal sales of tobacco products to minors under the Stop Tobacco Access to Kids Enforcement (STAKE) Act, pursuant to Section 22952 of the Business and Professions Code.*

*(B) Twenty-five percent (25%) of the funds in the Tobacco Control Enforcement Sub-Account is continuously appropriated to the California Office of the Attorney General to be used for activities including, but not limited to: enforcing laws that regulate the distribution and sale of cigarettes and other tobacco products, such as laws that prohibit cigarette smuggling, counterfeiting, selling untaxed tobacco, selling tobacco without a proper license and selling tobacco to minors; enforcing tobacco-related laws, court judgments, and settlements, such as the Tobacco Master Settlement Agreement and the Smokeless Tobacco Master Settlement Agreement, entered into on November 23, 1998, by the State of California and leading United States tobacco product manufacturers, including tracking tobacco industry advertising, marketing, and promotional activities in California, and bringing actions against violators; and assisting local law enforcement agencies in the enforcement of tobacco-related statutes and local ordinances through technical assistance and training activities.*

*(C) Twenty-five percent (25%) of the funds in the Tobacco Control Enforcement Sub-Account is continuously appropriated to the State Board of Equalization to be used to enforce laws that regulate the distribution and sale of cigarettes and other tobacco products, such as laws that prohibit cigarette smuggling, counterfeiting, selling untaxed tobacco, and selling tobacco without a proper license.*

*(7) Eight percent (8%) shall be deposited in a Breast and Cervical Cancer Early Detection Sub-Account, which is hereby created. All funds in the Breast and Cervical Cancer Early Detection Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for breast and cervical cancer prevention and early detection services that*

*result in the reduction of breast and cervical cancer morbidity and mortality in California. These early detection services shall be part of a program that includes a significant quality assurance and improvement component, including patient and provider education, community outreach, and program evaluation.*

*(8) Eight and one-half percent (8.50%) shall be deposited in a Heart Disease and Stroke Prevention Sub-Account, which is hereby created. All funds in the Heart Disease and Stroke Prevention Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for the California Heart Disease and Stroke Prevention Program provided for in Section 104142 of the Health and Safety Code. The intent of this program is to reduce the risk, disability and death from heart disease and stroke.*

*(9) Seven and three-fourths percent (7.75%) shall be deposited in an Obesity Prevention, Nutrition and Physical Activity Promotion Sub-Account, which is hereby created. All funds in the Obesity Prevention, Nutrition and Physical Activity Promotion Sub-Account shall be appropriated as follows:*

*(A) Seventy percent (70%) shall be continuously appropriated to the State Department of Health Services to support programs and activities to be used solely to prevent obesity, diabetes, and chronic diseases through the promotion of community norm change, healthy eating, and physical activity. The department shall design, develop and enhance a comprehensive program that includes, but need not be limited to: media advertisements and public relations programs; competitive grants to community based organizations and agencies; grants to local health departments; research and evaluation of program effectiveness; and those provisions contained in Section 104650 of the Health and Safety Code.*

*(B) Thirty percent (30%) shall be continuously appropriated to the State Department of Education to be used solely to design, develop, and support programs and activities to prevent obesity, diabetes and chronic diseases through the promotion of, and access to, healthy eating and physical activity for children and their families within the context of coordinated school health. Such programs and activities shall include but need not be limited to, promotion of, and access to, fruits, vegetables and other healthy foods; promotion of moderate and vigorous physical activity; promotion of health education and physical education; research, surveillance and evaluation of program effectiveness; professional development for teachers and other appropriate staff in health education and physical education; and monitoring local educational agencies' compliance with state laws for nutrition and physical education.*

*(C) The State Department of Health Services, in consultation with the State Department of Education, shall establish an Oversight Committee composed of 13 members selected for their expertise in nutrition, physical activity and education, and related disciplines pertinent to the purposes of this Sub-Account. Membership shall include, but need not be limited to, representation from the following: health and education organizations, public health and local education agencies, advocacy groups, and healthcare professionals and organizations.*

*The Oversight Committee shall advise the State Department of Health Services and the State Department of Education with respect to policy development and evaluation and provide guidance on strategic priorities, coordination, and collaboration among state agencies with regard to the programs funded by the Obesity Prevention and Nutrition and Physical Activity Promotion Sub-Account.*

*(10) Four and one-fourths percent (4.25%) shall be deposited in an Asthma Prevention and Control Sub-Account, which is hereby created. All funds in the Asthma Prevention and Control Sub-Account shall be used solely to support*



*asthma assessment, community intervention strategies, training and technical assistance, surveillance, evaluation of asthma prevention and control activities, translational research to implement effective interventions, and school-based asthma education, training and coordination activities. These funds shall be appropriated as follows:*

*(A) Sixty percent (60%) of the funds in the Asthma Prevention and Control Sub-Account is continuously appropriated to the State Department of Health Services to fund programs and services including, but not limited to those described in Chapter 6.5 (commencing with Section 104316) of Part 1 of Division 103 of the Health and Safety Code, including community childhood asthma programs within the California Asthma Public Health Initiative and asthma surveillance within the Environmental Health Investigations Branch, and to support media advertisements, public relations and other public education activities. Areas in the state that have the highest asthma prevalence, and areas with low socioeconomic status populations shall receive priority consideration in the expenditure of these funds.*

*(B) Forty percent (40%) of the funds in the Asthma Prevention and Control Sub-Account is continuously appropriated to the State Department of Education to improve the management of asthma within the school setting. Funds shall be for activities and programs, including, but not limited to: statewide coordination of asthma programs and services, the development or purchase and dissemination of educational and training materials, delivery of asthma education and training to school personnel, and the reduction of asthma triggers in the indoor and outdoor school environments. Schools in areas of the state that have the highest asthma prevalence, schools serving low socioeconomic status students and school districts that do not have school nurses shall receive priority consideration in the expenditure of these funds.*

*(11) Four and one-fourths percent (4.25%) shall be deposited in a Colorectal Cancer Sub-Account, which is hereby created. All funds in the Colorectal Cancer Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely for the Colorectal Cancer Prevention, Detection and Treatment Program described in Article 2.7 (commencing with Section 104195) of Chapter 2 of Part 1 of Division 103 of the Health and Safety Code. The intent of this program is to reduce the incidence, morbidity, and mortality due to colorectal cancer. This program shall include various public health components, including a significant quality assurance and improvement component, patient and provider education, community outreach, and program evaluation. No less than forty percent (40%) of the funds for this program shall be used for those non-clinical public health components.*

*(12) Forty-five and one-half percent (45.50%) of the Fund shall be deposited in the California Healthy Kids Sub-Account, which is hereby created to ensure that every child in California is eligible for comprehensive, affordable health insurance and has access to needed health care. All moneys in the California Healthy Kids Sub-Account shall be continuously appropriated to the California Health and Human Services Agency only for implementation by the State Department of Health Services and the Managed Risk Medical Insurance Board of Chapter 17 (commencing with Section 12693.99) of Part 6.2 of Division 2 of the Insurance Code pursuant to the provisions and restrictions thereof. No less than ninety percent (90%) of the funds appropriated from this Sub-Account shall be used for implementation of Section 12693.99 of the Insurance Code. No more*

than ten percent (10%) of the funds appropriated from this Sub-Account shall be used for implementation of Section 12693.991 of the Insurance Code.

(c) To the Health Treatment and Services Account, which is hereby created, fifty-two and three-fourths percent (52.75%), allocated to the following Sub-Accounts for the purposes stated therein:

(1) One and three-fourths percent (1.75%) shall be deposited in a Tobacco Cessation Services Sub-Account, which is hereby created. All funds in the Tobacco Cessation Services Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely to provide tobacco cessation programs and services to assist adult and minor tobacco users to quit tobacco. It is the intent of this Act that this appropriation supports programs and services including, but not limited to counseling, referral and support services, pharmaceutical tobacco cessation products, and training and technical assistance activities.

(2) One and three-fourths percent (1.75%) shall be deposited in a Prostate Cancer Treatment Sub-Account, which is hereby created. All funds in the Prostate Cancer Treatment Sub-Account shall be continuously appropriated to the State Department of Health Services to be used solely to provide for prostate cancer prevention and treatment for low income and uninsured men.

(3) Five and three-fourths percent (5.75%) shall be deposited in the Community Clinics Uninsured Sub-Account, which is hereby created to fund nonprofit clinic corporations providing vital health care service to the uninsured in accordance with Article 6 (commencing with Section 1246) of Chapter 1 of Division 2 of the Health and Safety Code. All funds in the Community Clinics Uninsured Sub-Account shall be continuously appropriated to the State Department of Health Services solely for implementation of Article 6 (commencing with Section 1246) of Chapter 1 of Division 2 of the Health and Safety Code.

(4)(i) Five and three-fourths percent (5.75%) to the Emergency Care Physician Services Sub-Account, which is hereby created. All funds in the Emergency Care Physician Services Sub-Account shall be continuously appropriated to the State Department of Health Services to 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.

(ii) Three-fourths percent (0.75%) to the Rural Emergency Care Physician Services Sub-Account, which is hereby created. All funds in the Rural Emergency Care Physician Services Sub-Account shall be continuously appropriated to the State Department of Health Services to be administered and allocated for distribution through the Rural Health Services Program (RHSP), Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(iii) Funds allocated to the Emergency Care Physician Services Sub-Account and Rural Emergency Care Physician Services Sub-Account shall be used only for reimbursement of physicians for losses incurred in providing uncompensated emergency services in general acute care hospitals providing basic, comprehensive, or standby emergency services, as defined in Section 16953 of the Welfare and Institutions Code. Funds shall be transferred annually by the Department to the Physician Services Accounts in the county Emergency Medical Services Fund established pursuant to Sections 16951 and 16952 of the Welfare and Institutions Code, and shall be paid only to physicians who directly provide emergency medical services to patients, based on claims submitted or

*a subsequent reconciliation of claims. Payments shall be made as provided in Sections 16951 to 16959, inclusive, of the Welfare and Institutions Code, and payments shall be made on an equitable basis, without preference to any particular physician or group of physicians. Funds allocated by this Section to counties that have not established an Emergency Medical Services Fund pursuant to Section 16951 shall be deposited into the Department of Health Services EMSA Contract Back Program, to be used only for the reimbursement of uncompensated emergency services, as defined in Section 16953, and payments made, based on claims submitted, in accordance with the procedures and policies established in Sections 16952 through 16959 of the Welfare and Institutions Code.*

*(5) Three-fourths percent (0.75%) to the Medically Underserved Account created by Business and Professions Code section 2154.4. All funds in the Medically Underserved Account shall be continuously appropriated to the Medical Board of California to promote the practice of medicine in areas of the state underserved by physicians to low-income patients pursuant to the Steven M. Thompson Physician Corps Loan Repayment Program set forth in Article 7.7 (commencing with Section 2154) of Chapter 5 of Division 2 of the Business and Professions Code.*

*(6) Nine percent (9%) to the Nursing Workforce Education Sub-Account, which is hereby created. All funds in the Nursing Workforce Education Sub-Account shall be continuously appropriated to the Office of Statewide Health Planning and Development to be used solely to expand nursing education opportunities and capabilities to meet nursing workforce demands pursuant to Section 128225.5 of the Health and Safety Code. Expenditures from the Nursing Workforce Education Sub-Account shall be made according to the following formula:*

*(A) Eighty-six percent (86%) shall be used to support the expansion of California Board of Registered Nursing (“BRN”) -approved registered nurse education pre-licensure programs in the California Community Colleges, the California State University and the University of California, and to support the expansion of graduate nursing education programs (MSN, DNSc/Ph.D.), and to support California Advanced Practice Registered Nurse Programs at the California State University and the University of California.*

*(B) Fourteen percent (14%) shall be used to support the expansion of BRN-approved privately operated registered nurse education pre-licensure programs, the expansion of privately operated graduate nursing education programs (MSN, DNSc/Ph.D.), and to support the expansion of privately operated California Advanced Practice Registered Nurse Programs.*

*(7) Seventy-four and one-half percent (74.50%) to the Emergency and Trauma Hospital Services Sub-Account, which is hereby created. All funds in the Emergency and Trauma Hospital Services Sub-Account shall be continuously appropriated to the State Department of Health Services to further the provision of hospital and medical services to emergency patients in California pursuant to Chapter 4.5 (commencing with Section 1797.300) of Division 2.5 of the Health and Safety Code.*

*30132.4. All moneys allocated to and deposited in the specific Accounts and Sub-Accounts of the Tobacco Tax of 2006 Trust Fund shall be expended as set forth pursuant to the requirements specific to each Account or Sub-Account as set forth in Section 30132.3. Notwithstanding Government Code Section 13340, any moneys allocated and appropriated to any of the Accounts or Sub-Accounts*

of the Tobacco Tax of 2006 Trust Fund that are not encumbered or expended within any applicable period prescribed by law shall, together with the accrued interest on the amount, revert to and remain in the same Account or Sub-Account for encumbrance and expenditure for the next fiscal period.

30132.5. (a) All moneys raised pursuant to the tax imposed by Section 30132.1, and all moneys raised by the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, shall be appropriated and expended only for the purposes expressed in this Act. Funds appropriated pursuant to this Act shall be used only to supplement existing levels of service and not to supplant funding for existing levels of service. Funds may be used to match available state, federal, or local funds. Except as specified in subdivision (b), no moneys in the Tobacco Tax of 2006 Trust Fund shall be used to supplant state or local General Fund money for any purpose, including back-filling state or local General Fund obligations.

(b) In addition to the provisions of subdivision (a), all moneys raised pursuant to the tax imposed by Section 30132.1, and all moneys raised by the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, shall not supplant the following:

(1) Local funds used to secure state or federal matching funds for any children's health services, children's health, or medical assistance programs, including but not limited to, the following: (A) Healthy Families, (B) Medi-Cal, whether full-scope or emergency or pregnancy-related care only, and (C) the Child Health and Disability Prevention Program; but not including funds generated by or expended from the California Children and Families Trust Fund (Division 108 (commencing with Section 130100) of the Health and Safety Code) or from the County Health Initiative Matching Fund (Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code);

(2) State funds used to secure federal matching funds for any children's health services, children's health, or medical assistance programs, including but not limited to the following:

(A) Healthy Families,

(B) Medi-Cal, whether full-scope or emergency or pregnancy-related care only, and

(C) The Child Health and Disability Prevention Program; or

(3) State or federal funds to continue or maintain the amount, duration, scope and structure of benefits that existed as of September 30, 2005 for any children's health services, children's health, or medical assistance programs, including but not limited to the following:

(A) Healthy Families,

(B) Medi-Cal, whether full-scope or emergency or pregnancy-related care only, and

(C) The Child Health and Disability Prevention Program.

(c) It is the intent of the people of the State of California that the Tobacco Tax Act of 2006 shall, in accordance with the purposes and intent of this Act, maximize, and not reduce, federal matching funds made available to the State for children's health coverage under Title XIX and/or Title XXI of the Social Security Act.

(d) No state or local government agency shall consider the revenue supporting emergency services to hospitals provided by this Act in its determination of the amount or rate of payment to hospitals on behalf of patients who are government-sponsored or the responsibility of a governmental agency or body.

30132.6. *Notwithstanding any other provision of law, money deposited in the Tobacco Tax of 2006 Trust Fund may not be loaned to, or borrowed by, any other special fund or the General Fund, or a county general fund or any other county fund, for any purpose other than those authorized by the Tobacco Tax Act of 2006.*

30132.7. *Due to the necessity to rapidly and efficiently implement the mandates of the Tobacco Tax Act of 2006, any contract made pursuant to paragraphs (7) through (11) of subdivision (b), and paragraph (2) of subdivision (c) of Section 30132.3, shall not be subject to Part 2 (commencing with Section 10100) of the Public Contract Code for the first five full years after enactment.*

30132.8. *At least two percent (2%) of the money appropriated to the State Department of Health Services pursuant to paragraphs (1) through (4) and paragraph (6) of subdivision (b) of Section 30132.3, and paragraph (1) of subdivision (c) of Section 30132.3, shall be used solely for administration of the department's tobacco control programs.*

30132.9. *Moneys in the Tobacco Tax of 2006 Trust Fund and any Account or Sub-Account therein, may be used to maximize federal matching funds, so long as all moneys are expended in a manner fully consistent with the Tobacco Tax Act of 2006.*

30132.10. *To provide full public accountability concerning the uses to which moneys in the Tobacco Tax of 2006 Trust Fund are put, and to ensure full compliance with the Tobacco Tax Act of 2006:*

(a) *Beginning with the first full fiscal year after the adoption of the Tobacco Tax Act of 2006, and annually thereafter, the State Department of Health Services shall prepare a report describing all programs that received Tobacco Tax of 2006 Trust Fund moneys in the previous fiscal year, and describing in detail the uses to which fund moneys were put during the previous fiscal year. This report shall be made available to the public on the department's web site, no later than March 31.*

(b) *All programs and departments receiving moneys from the Tobacco Tax of 2006 Trust Fund are subject to audits by the Bureau of State Audits.*

(c) *No more than five percent (5%) of the funds appropriated to any Account or Sub-Account created by the Tobacco Tax Act of 2006 may be used for administration, unless a lower amount is specified elsewhere in this Act.*

SEC. 4. Article 2.7 (commencing with Section 104195) is added to Chapter 2 of Part 1 of Division 103 of the Health and Safety Code, to read:

*Article 2.7. Colorectal Cancer Prevention, Detection, and Treatment*

*104195. The Colorectal Cancer Prevention, Detection, and Treatment Program shall be established within the State Department of Health Services.*

*104195.1. The program shall apply to both of the following groups:*

(a) *Uninsured and underinsured persons 50 years of age and older with incomes at or below two hundred percent (200%) of the federal poverty level.*

(b) *Uninsured and underinsured persons below 50 years of age who are at high risk for colorectal cancer according to the most recently published colorectal cancer screening guidelines of the U.S. Preventive Services Task Force and who have incomes at or below two hundred percent (200%) of the federal poverty level.*

*104195.2. Services provided under this Article shall include, but are not limited to, all of the following:*



(a) *Screening of men and women for colorectal cancer as an early detection health care measure, in accordance with the most recent cancer screening guidelines of the U.S. Preventive Services Task Force.*

(b) *After screening, medical referral of the screened person and services necessary for a definitive diagnosis.*

(c) *If a positive diagnosis is made, then assistance and advocacy shall be provided to help the person obtain necessary treatment.*

(d) *Necessary treatment in accordance with the most recent cancer treatment guidelines of the National Comprehensive Cancer Network.*

(e) *Outreach and health education activities to ensure that uninsured and underinsured persons are aware of, and appropriately utilize, the services provided by the program.*

104195.3. *The department shall award one or more contracts to provide colorectal cancer screening and treatment through private or public nonprofit organizations, which may include, but shall not be limited to, community-based organizations, local health care providers, and the University of California medical centers.*

#### SEC. 5. Heart Disease and Stroke Prevention Program

Section 104142 is added to Chapter 1 of Part 1 of Division 103 of the Health and Safety Code, to read:

104142. *The California Heart Disease and Stroke Prevention Program (CHDSP) is hereby created in the State Department of Health Services. The CHDSP program that is hereby created is consistent with the existing CHDSP program within the department and shall not be duplicated by another cardiovascular disease (CVD) program.*

(a) *The CHDSP program shall do, but is not limited to, all of the following:*

(1) *Conduct programs to prevent and reduce risk factors for CVD including, but not limited to, high blood pressure, as provided for in Section 104100, and high cholesterol.*

(2) *Design, implement, and support programs to improve disease treatment and management, including quality of care for CVD.*

(3) *Promote and support medical professional development for the prevention and treatment of CVD.*

(4) *Collect, analyze, and publish data on CVD, which may include the establishment of a heart disease and stroke registry to track the incidence and prevalence of CVD.*

(5) *Guide the development of public health policies, including linkages with appropriate state agencies, to improve health outcomes from CVD.*

(6) *Conduct a statewide public education campaign that focuses on the incidence, signs, symptoms, and risk factor reduction strategies for CVD.*

(b) *The department shall consider, as a priority, the recommendations of the Heart Disease and Stroke Prevention and Treatment Task Force, as provided for in Section 104141.*

(c) *The department may authorize CVD research, including pilot demonstration projects.*

(d) *Nothing in this section shall duplicate other programs in the department.*

SEC. 6. Chapter 17 (commencing with Section 12693.99) is added to Part 6.2 of Division 2 of the Insurance Code, to read:

#### CHAPTER 17. CHILDREN'S HEALTH

12693.99. (a) *To ensure that every child in California is eligible for comprehensive, affordable health insurance and has access to needed health*

care, all children described in subdivision (b) shall be eligible for the California Healthy Families Program (Part 6.2 (commencing with Section 12693) of Division 2 of the Insurance Code (hereinafter "Healthy Families").

(b) All children under 19 years of age shall be eligible for the services and benefits provided under this Chapter, notwithstanding paragraph (4) of subdivision (a) of Section 12693.70 and Section 12693.73, if they meet all of the following:

(1) Are in families with countable household income up to and including 300 percent of the federal poverty level. In a family with annual or monthly household income greater than 300 percent of the federal poverty level, any income deduction that is applicable under Medi-Cal shall be applied in determining annual or monthly household income under this Section;

(2) Meet the state residency requirements of Healthy Families in place as of September 30, 2005, as set forth in paragraph (5) of subdivision (a) of Section 12693.70;

(3) Are in compliance with Sections 12693.71 and 12693.72; and

(4) Are not eligible for Healthy Families, or for full-scope Medi-Cal (Chapter 7 (commencing at Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) without a share of cost, under the eligibility rules in place as of September 30, 2005.

(c) The confidentiality and privacy protections set forth in Sections 10500 and 14100.2 of the Welfare and Institutions Code shall apply to all children seeking, applying for or enrolled in Healthy Families.

(d) Families of children enrolled in Healthy Families through this Chapter shall be required to contribute premiums equal to those required of families of children enrolled in Healthy Families not through this Chapter, subject to the following exceptions:

(1) Families of children up to and including 18 years of age who apply for or are enrolled in Healthy Families and whose countable household incomes are up to and including 100 percent of the federal poverty level shall not be required to contribute any premiums; families of children up to one year of age who apply for or are enrolled in Healthy Families and whose countable household incomes are up to and including 200 percent of the federal poverty level shall not be required to contribute any premiums; and families of children up to and including six years of age who apply for or are enrolled in Healthy Families and whose countable household incomes are up to and including 133 percent of the federal poverty level shall not be required to contribute any premiums.

(2) Families of children who are enrolled in Healthy Families whose countable household incomes are greater than 250 percent and up to and including 300 percent of the federal poverty level shall be required to contribute premiums at 150 percent of the premiums required for children who are enrolled in Healthy Families whose countable household incomes are greater than 200 percent and up to and including 250 percent of the federal poverty level. The same premium discounts available to children enrolled in Healthy Families whose families have countable incomes of 200 through 250 percent of the federal poverty level shall be available on the same terms to children enrolled in Healthy Families whose families' countable incomes are greater than 250 percent of the federal poverty level.

(e) Less restrictive Healthy Families eligibility requirements than those established at subdivision (b) may be established by the Legislature at any time before or after adoption of this Section. If the Legislature adopts less restrictive



*eligibility criteria for Healthy Families at any time, such a change shall supersede the eligibility requirements of this Section. Nothing in this Section shall preclude a child from eligibility for Medi-Cal or Healthy Families if less restrictive eligibility criteria are enacted. For purposes of this subdivision, requirements or criteria are considered to be "less restrictive" if, under such requirements or criteria, additional individuals may be eligible for medical assistance and no individuals who are otherwise eligible are made ineligible for such assistance.*

12693.991. (a) *The Managed Risk Medical Insurance Board and the State Department of Health Services (hereinafter "administering agencies") shall continue to administer the Healthy Families and Medi-Cal programs, respectively, for all eligible children. The administering agencies shall coordinate their respective administrations of each program in a cost-effective, coordinated and seamless manner with respect to children seeking, applying for or enrolled in Medi-Cal or Healthy Families. Both administering agencies shall coordinate enrollment, renewal, eligibility, and outreach, and shall assign clear lines of responsibility for all associated agency activities with enforceable accountability. Implementation of duties and responsibilities that require the participation of both agencies shall be done jointly, as coordinated between them by agreement.*

(b) *The administering agencies, in consultation with the Healthy Kids Oversight and Accountability Commission, shall design and implement streamlined application, enrollment and retention procedures and mechanisms for all benefits available under Healthy Families and Medi-Cal. From the child's perspective there shall appear to be a single program, though the details are handled by two programs and administering agencies. The administering agencies shall implement strategies including at least the following to ensure that all children who are eligible for Healthy Families or Medi-Cal under the eligibility rules in place on September 30, 2005, and all children who are eligible for Healthy Families under this Chapter, receive health insurance:*

(1) *Simplify paperwork requirements for families to enroll their children and retain coverage as long as they remain eligible by requesting documentation and verifying information only to the extent required under federal law.*

(2) *Expedite and streamline enrollment by offering enrollment, which may be known as "express lane" or "gateway" enrollment, through entry points such as the National School Lunch Program, the California Supplemental Special Nutrition Program for Women, Infants and Children, the Food Stamp Program, and the Child Health and Disability Prevention Program or similar programs; by utilizing the enrollment information provided by families to these other programs, with families' consent and ensuring confidentiality pursuant to subdivision (c) of Section 12693.99 for all children seeking, applying for, and enrolled in Healthy Families or Medi-Cal; and by implementing an electronic gateway system to process that enrollment.*

(3) *Develop a plan to ensure that eligible, enrolled children do not experience a gap in benefits and to ensure continuity of medical care for children when renewing or transferring between Medi-Cal and Healthy Families, or from a local children's health insurance program (hereinafter "local CHI"). The plan shall include simplifying renewal forms and renewal and transition processes.*

(4) *Facilitate outreach and education to current and potential beneficiaries, applicants, health care providers, and insurers.*

(5) *In coordination with the Healthy Kids Oversight and Accountability Commission, and while preserving confidentiality in accordance with subdivision*

(c) of Section 12693.99, undertake a pilot research demonstration project to test effective strategies, and gather data about the impact of specific efforts, to increase coverage for uninsured children in families with incomes above 300 percent of the federal poverty level; and recommend to the Legislature strategies for increasing coverage for this population based upon the pilot research demonstration project results.

(6) In coordination with the Healthy Kids Oversight and Accountability Commission, design and implement a process for ensuring a smooth transition for local CHI enrollees to Healthy Families. The transition shall provide that any child who applies for and is determined eligible for Healthy Families pursuant to this Chapter, and who is enrolled in a local CHI both as of enactment of this Chapter and as of his or her Healthy Families eligibility determination, shall be automatically rolled over into his or her existing local CHI health plan under Healthy Families, if the health plan is a participating plan in Healthy Families. For good cause or upon the child's next annual renewal, a child may switch plans or otherwise remain in his or her existing plan. Nothing in this paragraph is intended to delay immediate implementation of this Chapter, including eligibility for Healthy Families.

(7) Maximize federal matching funds available for eligible children's health insurance under Medi-Cal and Healthy Families and implement strategies that coordinate and integrate existing children's health insurance programs to maximize available federal and state matching funds, such as matching funds available for emergency or pregnancy-related Medi-Cal benefits, for all eligible children.

(8) Take any additional steps necessary to ensure that from a child's perspective, Medi-Cal and Healthy Families operate as a single program.

(c) The Healthy Kids Oversight and Accountability Commission is hereby established to guide the implementation and administration of this Chapter; advise the administering agencies on how best to provide affordable health insurance for all children; review financial audits of the children's Medi-Cal and Healthy Families programs by the Bureau of State Audits; and identify inefficient practices or waste in the administration or operation of Healthy Families and Medi-Cal and direct anticipated savings back into providing health insurance for more children.

(1) The Commission shall consist of 15 members with expertise in children's health, health insurance and health insurance programs, and shall include representatives from the following categories:

(A) Consumers;

(B) Consumer advocates, including representatives of specific child populations;

(C) Health care providers, including physicians and public hospitals;

(D) Health plans, including local CHIs; and

(E) Other stakeholders, including but not limited to schools, business and organized labor, and county agencies.

(2) The Speaker of the Assembly, the Senate President Pro Tempore, and the Governor shall each appoint five commissioners such that each appoints one commissioner from each of the five categories.

(3) Members shall serve without compensation, but shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties.

(4) The term of each member shall be three years, to be staggered so that approximately one-third of the appointments expire in each year.

(5) *In carrying out its duties and responsibilities, the Commission may do all of the following:*

(A) *Meet at least once each quarter at any time and location convenient to the public as it may deem appropriate. All meetings of the Commission shall be open to the public.*

(B) *Establish technical advisory committees such as a committee of parents and guardians.*

(C) *Advise the Governor and the Legislature regarding actions the state may take to improve access to, enrollment in, retention of, and use of health coverage for children and their families.*

(D) *Recommend strategies to increase the efficiency of Medi-Cal and Healthy Families, reduce paperwork requirements for benefit administration, and implement electronic gateways and other "express lanes" for increasing enrollment.*

(E) *Recommend strategies for transitioning children among and between local CHIs, Medi-Cal and Healthy Families.*

(F) *Recommend voluntary strategies with employers to maintain or increase employer-sponsored health coverage for employees' dependents under the age of 19 years.*

(G) *Provide guidance in the development of the pilot research demonstration project for pursuing affordable health insurance or assistance options for uninsured children whose families have incomes over 300 percent of the federal poverty level and, based on the results of the pilot research projects, recommend to the Legislature strategies for increasing coverage for this population.*

(H) *Study the adequacy of the provider network and seek broad participation from traditional and safety-net providers by recommending strategies to ensure adequate provider reimbursement rates.*

(I) *Employ all other appropriate strategies necessary or convenient to enable it to fully and adequately perform its duties and exercise the powers expressly granted.*

12693.992. (a) *For the purposes specified in this Chapter and subject to Section 30132.5 of the Revenue and Taxation Code, funds appropriated from the California Healthy Kids Sub-Account established at paragraph (12) of subdivision (b) of Section 30132.3 of the Revenue and Taxation Code shall be used only for:*

(1) *The provision of children's health insurance, through Healthy Families, only for children defined in subdivision (b) of Section 12693.99; and*

(2) *Implementation of those measures contained in Section 12693.991.*

(b) *Funds expended or transferred from the California Healthy Kids Sub-Account shall supplement and not supplant the following:*

(1) *Local funds used to secure state or federal matching funds for any children's health services, children's health, or medical assistance programs, including but not limited to the following: (A) Healthy Families; (B) Medi-Cal, whether full-scope or emergency or pregnancy-related care only; and (C) the Child Health and Disability Prevention Program; but not including funds generated by or expended from the California Children and Families Trust Fund (Division 108 (commencing at Section 130100) of the Health and Safety Code) or from the County Health Initiative Matching Fund (Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code).*

(2) *State funds used to secure federal matching funds for any children's health services, children's health, or medical assistance programs, including but not limited to the following:*

- (A) *Healthy Families*;
  - (B) *Medi-Cal, whether full-scope or emergency or pregnancy-related care only; and*
  - (C) *The Child Health and Disability Prevention Program.*
- (3) *State or federal funds to continue or maintain the amount, duration, scope and structure of benefits that existed as of September 30, 2005 for any children's health services, children's health, or medical assistance programs, including but not limited to the following:*

- (A) *Healthy Families*;
  - (B) *Medi-Cal, whether full-scope or emergency or pregnancy-related care only; and*
  - (C) *The Child Health and Disability Prevention Program.*
- (c) *The state may not increase a county's share of costs for children's health services unless the state includes adequate funding to fully compensate for such increased costs.*

12693.993. (a) *Nothing in this Chapter is intended to:*

- (1) *Reduce or restrict any existing entitlement under Medi-Cal;*
- (2) *Reduce or restrict the existing eligibility levels or the amount, duration, scope or structure of benefits in place as of September 30, 2005 under either Healthy Families or Medi-Cal;*
- (3) *Create a new entitlement for children enrolled in Healthy Families;*
- (4) *Preclude a child from eligibility for any other children's health insurance, medical service or medical assistance program, including but not limited to restricted Medi-Cal or Medi-Cal with a share of cost;*
- (5) *Preclude a child from eligibility for Healthy Families or Medi-Cal if less restrictive eligibility criteria are enacted;*
- (6) *Reduce or erode children's existing employer-sponsored health insurance coverage;*
- (7) *Restrict any public appropriations or private contributions for the provision of children's health insurance through Medi-Cal or Healthy Families, such as federal financial match for state or county Medi-Cal funding; county, regional or local funding; private foundation grants, and family premium contributions;*
- (8) *Prohibit eligibility for Medi-Cal or Healthy Families based on concurrent eligibility for a local CHI; nor*

(9) *Create or require creation of a new state department or agency.*

(b) *The State Department of Health Services and the Managed Risk Medical Insurance Board may explore and utilize any options available under federal law to allow the use of charitable or other funding by private and public not-for-profit organizations as a match for federal funds for use in the provision of coverage consistent with the provisions of this Chapter.*

SEC. 7. Article 6 (commencing with Section 1246) is added to Chapter 1 of Division 2 of the Health and Safety Code, to read:

*Article 6. Community Clinics*

1246. (a) *Funds in the Community Clinics Uninsured Sub-Account established at paragraph (3) of subdivision (c) of Section 30132.3 of the Revenue and Taxation Code shall be administered by the State Department of Health Services solely for the purposes of this Section. The department shall allocate the funds for eligible non-profit clinic corporations providing vital health care services, including services related to smoking cessation programs to assist smokers to quit smoking, and educational efforts related to tobacco prevention,*

*to the uninsured. The funds shall be allocated by the Department pursuant to the provisions of this Section.*

*(b) Annually, commencing August 1, 2007, the Department shall allocate to each eligible non-profit clinic corporation a percentage of the balance present in the Community Clinics Uninsured Sub-Account as of July 1 of the year the allocations are made based on the formula provided for in subdivision (c) and subject to subdivision (d).*

*(c) Funds in the Community Clinics Uninsured Sub-Account shall be allocated only to eligible non-profit clinic corporations. Funds in the Community Clinics Uninsured Sub-Account shall be allocated to eligible non-profit clinic corporations on a percentage basis based on the total number of uninsured patient encounters.*

*(1) For purposes of this Section, an "eligible non-profit clinic corporation" shall meet both of the following requirements:*

*(A) The corporation shall consist of non-profit free and community clinics licensed pursuant to subdivision (a) of Section 1204 or of clinics operated by a federally recognized Indian tribe or tribal organization and exempt from licensure pursuant to subdivision (c) of Section 1206.*

*(B) The corporation must provide at least 1,000 uninsured patient encounters based on data submitted to the Office of Statewide Health Planning and Development pursuant to the reporting procedures established under Section 1216 for the year the allocations are made.*

*(2) The total number of uninsured patient encounters shall be based on data submitted by each eligible non-profit clinic corporation to the Office of Statewide Health Planning and Development pursuant to the reporting procedures established under Section 1216. Beginning August 1, 2007 and every year thereafter, the allocations shall be made by the department based on data submitted by each eligible non-profit clinic corporation to the Office of Statewide Health Planning and Development by February 15 of the year the allocations are made.*

*(3) For purposes of this Section, except as otherwise provided in paragraph (4), an uninsured patient encounter shall be defined as an encounter for which the patient has no public or private third party coverage. An uninsured patient encounter shall also include encounters involving patients in programs operated by counties pursuant to Part 4.7 (commencing with Section 16900) and Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code. An uninsured patient encounter must consist of a primary and preventive health care service, including tobacco cessation and prevention services, and specialty care services traditionally provided by comprehensive primary care providers.*

*(4) Each uninsured patient encounter shall count as one encounter, except that the encounters involving patients in programs operated pursuant to paragraph (1) of subdivision (aa) of Section 14132 and Division 24 (commencing with Section 24000) of the Welfare and Institutions Code, and pursuant to Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code shall count as 0.15 encounter for purposes of determining the total number of uninsured patient encounters for each eligible non-profit clinic corporation.*

*(5) The Department shall compute each eligible non-profit clinic corporation's percentage of total uninsured patient encounters for all eligible non-profit clinic corporations. The Department shall then apply these percentages to the*



available funds in the Sub-Account to compute a preliminary allocation amount for each eligible non-profit clinic corporation. Final allocation amounts will be created pursuant to paragraph (6).

(6) Final allocation amounts shall be determined as follows:

(A) If the preliminary allocation for an eligible non-profit clinic corporation is equal to or less than twenty-five thousand dollars (\$25,000), the allocation for that eligible non-profit corporation shall be twenty-five thousand dollars (\$25,000).

(B) For all eligible non-profit clinic corporations with preliminary allocations of more than twenty-five thousand dollars (\$25,000), the Department shall compute each such eligible non-profit clinic corporation's percentage of the total uninsured patient encounters and apply the percentage to the remaining funds available to determine the final allocation amount for each such eligible non-profit clinic corporation, subject to subparagraph (c).

(C) No eligible non-profit clinic corporation shall receive an allocation in excess of two percent (2%) of the total monies distributed to all eligible non-profit clinic corporations in that year. Allocations that are subject to the two percent (2%) limit shall be reallocated to those other eligible non-profit clinic corporations receiving allocations under subparagraph (B) utilizing the methodology in paragraphs (3) and (4), but provided that reallocations shall not make any final allocation surpass the two percent (2%) limit.

(d) The State Department of Health Services shall be reimbursed from the Community Clinics Uninsured Sub-Account for the Department's actual cost of administration. The total amount available for reimbursement of the Department's administrative costs shall not exceed one percent (1%) of the monies credited to the Sub-Account during the fiscal year.

SEC. 8. Nursing Workforce Education Investment

Section 128224.5 is added to the Health and Safety Code, to read:

128224.5. (a) The California Healthcare Workforce Policy Commission shall oversee the plan for and distribution of funds in the Nursing Workforce Education Sub-Account created by paragraph (6) of subdivision (c) of Section 30132.3 of the Revenue and Taxation Code. A state nursing contract program with accredited schools and programs that educate students seeking degrees in nursing, including associate degree programs ("ADN"), bachelor of science degree programs ("BSN"), master's degree programs ("MSN"), programs for Advanced Practice Registered Nurses, and higher graduate nursing education programs ("DNSc/Ph.D."), shall be developed to create, expand and improve programs to educate students to become practicing registered nurses, nurses with advanced clinical skills, nurse managers, and faculty for schools of nursing. Priority shall be given to programs that increase the number and types of nursing student graduates and educators most likely to meet the state's most pressing needs for registered nurses.

(b) The California Healthcare Workforce Policy Commission shall recommend to the director the California Board of Registered Nursing ("BRN")-approved registered nurse education programs and California graduate nursing education programs (MSN, DNSc/Ph.D.) that shall be funded under subdivision (a). For purposes of this section the term "Advanced Practice Registered Nurse Programs" refers to programs that educate nurses with advanced clinical skills, including, but not limited to, nurse anesthetists, clinical nurse specialists, nurse practitioners, nurse midwives, and public health nurses.

Section 128225.5 is added to the Health and Safety Code, to read:

*128225.5. The director shall utilize the funds appropriated to implement the recommendations of the California Healthcare Workforce Policy Commission pursuant to Section 128224.5; and to reimburse the office and the commission for all reasonable, actual, direct administrative costs incurred to implement this Section, not to exceed one percent (1%) of the amount deposited into the Nursing Workforce Education Sub-Account for the same period. The director shall utilize all funds appropriated to the extent reasonably possible. To the extent any funds appropriated are not utilized, or after being committed are returned or remain unspent for any reason, such funds shall remain in or shall be re-deposited into the Nursing Workforce Education Sub-Account for appropriation and use for the same purpose as provided in paragraphs (6)(A) or (6)(B) of subdivision (c) of Section 30132.3 of the Revenue and Taxation Code, as appropriate.*

SEC. 9. Emergency and Trauma Hospital Services

Chapter 4.5 (commencing with Section 1797.300) is added to Division 2.5 of the Health and Safety Code, to read:

CHAPTER 4.5. HOSPITAL EMERGENCY SERVICES

Article 1. The Emergency and Trauma Hospital Services Sub-Account

*1797.300. To support the public's need for hospital emergency services, the department shall administer funds made available to hospitals for such services as provided by this Chapter.*

*1797.301. (a) The department shall calculate each eligible hospital's funding percentage to be used for the next calendar year based upon the information submitted by such hospital pursuant to Section 1797.302 and notify each eligible hospital of its proposed funding percentage no later than June 15 of each calendar year.*

*(b) The department shall receive and review the accuracy and completeness of information submitted by eligible hospitals pursuant to Section 1797.302. The department shall develop a standard form to be utilized for reporting such information by eligible hospitals, but shall accept information from eligible hospitals that is not reported on such standard form. The department shall allow hospitals to report such information electronically no later than April 30, 2008.*

*(c) The department shall notify each hospital submitting the information specified under subdivision (a) of Section 1797.302 in writing through a communication delivered by no later than April 30 each year confirming the information it has from such hospital and of any apparent discrepancies in the accuracy, completeness, or legibility of information submitted by such hospital pursuant to Section 1797.302. Unless such written notice is timely delivered to an eligible hospital, the information it reports pursuant to Section 1797.302 shall be deemed to be complete and accurate, but shall be subject to audit under subdivision (f).*

*(d) A hospital that receives notice from the department that the information it reported was not accurate, complete, or legible shall have 30 days from the date the notice is received to provide the department with correct, complete and legible information. Such corrected or supplemental information shall be used by the department to make the calculation required by subdivision (a), but shall be subject to audit under subdivision (f). A hospital that does not provide sufficient legible information to establish that it qualifies as an eligible hospital or to allow the department to make the calculation required under subdivision (a) shall not be an eligible hospital.*



*(e) The department may enter into an agreement with the Office of Statewide Health Planning and Development or another state agency or private party to assist it in analyzing information reported by eligible hospitals and making the hospital funding allocation computations as provided under this Chapter.*

*(f) To ensure that the funds received by hospitals are utilized for the purpose specified in this Article, the department shall audit the use by eligible hospitals of any funds received pursuant to Section 1797.304, and the accuracy of data on emergency department patient encounters and other information any hospital reports under this Article, as follows: the department shall randomly select twenty percent (20%) of all eligible hospitals each year for audit of the information they submit. Additionally, the department may conduct a field audit of the use of funds or information submitted by any hospital. If the department determines upon audit that any funds received were improperly used, or that inaccurate data were reported by the eligible hospital resulted in an allocation of excess funds to the eligible hospital, the department shall recover any excess amounts allocated to, or any funds improperly used by, the eligible hospital. The department may impose a fine of not more than twenty-five percent (25%) of any funds received by the eligible hospital that were improperly used, or the department may impose a fine of not more than two times any amounts improperly used or received by the eligible hospital if it finds such amounts were the result of gross negligence or intentional misconduct in reporting data or improperly using allocated funds under this Article on the part of the hospital. Any fines imposed by the department shall be stayed if appealed by the hospital pursuant to subdivision (g) until judgment by a court of final jurisdiction. In no event shall a hospital be subject to multiple penalties for both improperly using and receiving the same funds.*

*(g)(1) A licensed hospital owner shall have the right to appeal the imposition of any fine by the department, or a determination by the department that its hospital is not an eligible hospital, for any reason, or an alleged computational or typographical error by the department resulting in an incorrect allocation of funds to its hospital under Section 1797.304. A hospital shall not be entitled to be reclassified as an eligible hospital or to have an increase in funds received under this Chapter based upon subsequent corrections to its own final reporting of incorrect data used to determine funding allocations under this Article.*

*(2) Any such appeal shall be heard before an administrative law judge employed by the Office of Administrative Hearings. The hearing shall be held in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The decision of the administrative law judge shall be in writing; shall include findings of fact and conclusions of law; shall be final; and shall be subject to appeal as provided by Section 11523 of the Government Code. The decision of the administrative law judge shall be made within 60 days after the conclusion of the hearing and shall be effective upon filing and service upon the petitioner.*

*(3) The appeal rights of hospitals under this subdivision (g) shall not be interpreted to preclude any other legal or equitable relief that may be available.*

*(h) Any fines or other recoveries collected by the department shall be deposited in the Emergency and Trauma Hospital Services Sub-Account within the Tobacco Tax Fund for allocation to eligible hospitals in accordance with the provisions of Section 1797.304. Such funds shall not be used for administrative costs, and shall be supplemental to, and shall not supplant, any other funds available to be allocated from such Sub-Account to eligible hospitals.*

(i) *In the event it is determined, upon a final adjudicatory decision that is no longer subject to appeal, that a hospital has been incorrectly determined to not qualify as an eligible hospital, or was allocated an amount less than the amount to which it is entitled under Section 1797.304, the department shall, from the next allocation of funds to hospitals under Section 1797.304, allocate to such hospital the additional amount to which it is entitled, and reduce the allocation to all other eligible hospitals pro rata.*

1797.302. (a) *Each hospital seeking designation as an eligible hospital shall submit the following information to the department by no later than February 15 of each year, commencing the first February 15 following the operative date of this Act:*

(1) *The number of emergency department encounters that took place in the hospital's emergency department during the preceding calendar year;*

(2) *The total amount of charity care costs of the hospital for the preceding calendar year;*

(3) *The total amount of bad-debt costs of the hospital for the preceding calendar year;*

(4) *The total amount of county indigent program effort costs of the hospital for the preceding calendar year;*

(5) *If requested, a photocopy of the hospital's operating license from the State Department of Health Services or equivalent documentation establishing that it operates a licensed emergency department;*

(6) *A declaration of commitment to provide emergency services and training as required by subdivision (a) of Section 1797.303.*

(b) *Both pediatric and adult patients shall be included in the data submitted. The accuracy of the data shall be attested to in writing by an authorized senior hospital official. No other data or information shall be required by the department to be reported by eligible hospitals for purposes of this Chapter.*

(c) *Each hospital seeking status as an eligible hospital under this Chapter that receives a preponderance of its revenue from a single associated comprehensive group practice prepayment health care service plan shall report information required by this section for all patients, and not just for patients who are not enrolled in an associated health care service plan.*

1797.303. (a) *An eligible hospital shall, throughout each calendar quarter in which it receives an allocation pursuant to Section 1797.304:*

(1) *Maintain an operational emergency department available within its capabilities and licensure to provide emergency care and treatment, as required by law, to any pediatric or adult member of the public who has an emergency medical condition.*

(2) *Do all of the following:*

(A) *Participate in a minimum of two disaster-training exercises annually;*

(B) *Provide training and information as appropriate to the hospital's medical staff, nurses, technicians and administrative personnel regarding the identification, management, and reporting of emergency medical conditions and communicable diseases, as well as triage procedures in cases of mass casualties;*

(C) *Collaborate with state and local emergency medical services agencies and public health authorities in establishing communications procedures in preparation for and during a disaster situation; and*

(D) *Establish and maintain an emergency and disaster management plan. This plan shall include response preparations to care for victims of terrorist attacks and other disasters. The plan shall be made available by the hospital for public inspection.*

*(b) It is the policy of the state to encourage hospitals to work cooperatively to develop regional plans for assuring maximum availability of emergency services to all patients, and to share equitably in the provision of emergency services to uninsured and low income underinsured patients in achieving such maximum availability of emergency services.*

*(1) Each hospital receiving funds under this Chapter that operates a basic or comprehensive licensed emergency department may participate in the development of a regional or other local plan for equitably sharing responsibility for providing emergency services to uninsured and low-income underinsured patients arriving at the hospital via ambulance. Any such plan may be developed under the auspices of a hospital association or through other cooperative arrangements, and shall be submitted to the county or other local emergency services authority for approval and continuing oversight of implementation.*

*(2) Each hospital receiving funds under this Chapter may work cooperatively with one or more other hospitals to develop a plan for providing maximum coverage of specialty medical services. Any such plan may include such items as coordinated coverage of particular medical specialty services; alternate coverage of particular medical specialty services; and joint programs for the payment of coverage fees to physician specialists for providing on-call coverage of emergency services. Any such plan shall be submitted to and approved by the county or other local emergency services authority for approval and continuing oversight of implementation.*

*(3) To the extent that any hospital or hospitals work cooperatively in developing and implementing the plans for providing emergency services described in this Section, the people intend that such hospital or hospitals shall incur no liability under federal or state antitrust or other anti-competition laws prohibiting combinations in restraint of trade, including, without limitation, the provisions of Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code.*

*(c) Any funds received by an eligible hospital under this Article shall not be used in the determination of uncompensated costs for the purpose of the limitation on payment adjustments described in Section 1923(g) of the Social Security Act and any provision of state law which incorporates such limitation, to the extent consistent with federal law.*

*1797.304. (a) Funds deposited in the Emergency and Trauma Hospital Services Sub-Account, together with all interest and investment income earned thereon, shall be continuously appropriated without regard to fiscal years to and administered by the state Department of Health Services. The department shall allocate the funds solely to eligible hospitals as provided by this Article.*

*(b) Quarterly, commencing June 30 following the operative date of this Chapter, the department shall allocate to each eligible hospital a percentage of the balance of the Hospital Sub-Account equal to such hospital's funding percentage, as determined by the department pursuant to Section 1797.301, except as follows:*

*(1) The annual aggregate allocation to all hospitals that receive a preponderance of their revenue from the same associated comprehensive group practice prepayment health care service plan shall not exceed forty million dollars (\$40,000,000.00) during any calendar year, and the department shall reduce the quarterly allocation to each such hospital pro rata, if and to the extent necessary, to contain the aggregate allocation to all such hospitals within any calendar year to a maximum of forty million dollars (\$40,000,000.00). The*

*maximum annual aggregate allocation shall be applied by the department in increments of no more than ten million dollars (\$10,000,000.00) to each of the first three quarterly distributions of each calendar year, but no specific portion of the limit on maximum annual aggregate distributions provided by this subsection shall apply to other quarterly distributions to such hospitals.*

*(2) The maximum aggregate annual allocation of forty million dollars (\$40,000,000.00) to all hospitals that receive a preponderance of their revenue from the same associated comprehensive group practice prepayment health care service plan set forth in paragraph (1) above shall be adjusted upward or downward annually, together with corresponding changes in any quarterly limits, commencing on January 1, 2009, by the same percentage increase or decrease in the aggregate amount deposited in the Hospital Sub-Account for the immediate prior calendar year against the aggregate amount deposited in the Hospital Sub-Account during the 2007 calendar year. Any adjustment that increases or decreases the maximum aggregate annual allocation to such hospitals shall be applied only to the then current calendar year.*

*(3) After making the adjustment to the maximum aggregate annual allocation to hospitals that receive a preponderance of their revenue from the same associated comprehensive group practice prepayment health care service plan provided by paragraph (2) above, the department shall further adjust such maximum aggregate annual allocation by increasing or decreasing it by a percentage factor equal to the percentage increase or decrease in the aggregate funding percentage by all hospitals receiving a preponderance of their revenue from the same associated comprehensive group practice prepayment health care service plan in the 2007 calendar year against the aggregate funding percentage of all hospitals associated with the same health care service plan for the most recent calendar year.*

*(4) After making the adjustments to the allocation of funds as provided by paragraphs (1) through (3) above, the department shall allocate any funds remaining in the Hospital Sub-Account to hospitals that do not receive a preponderance of their revenue from the same associated comprehensive group practice prepayment health care service plan pro rata based upon their respective funding percentages.*

*(c) Prior to each allocation under subdivision (b), the actual costs of the department (including any costs to the department resulting from the charges under Section 11527 of the Government Code) for administering the provisions of this Chapter shall be reimbursed from the Hospital Sub-Account. The aggregate funds withdrawn for all administrative costs under this subdivision shall not exceed one half of one percent (0.5%) of the total amounts deposited in the Hospital Sub-Account (not including any fines collected under subdivision (h) of Section 1797.301) during the prior quarter.*

*(d) An eligible hospital shall use the funds received under this Section only to further the provision of emergency services by such means as payment for the unreimbursed cost of providing emergency services and improving or expanding emergency services, facilities, or equipment. Such funds may not be used to pay for more than the hospital's unreimbursed costs of providing emergency services, and no funds may be used to pay the hospital for providing emergency services where it receives payment for providing such services and has agreed to accept such payment as payment in full. No funds may be used for the compensation of hospital management executives, except for personnel who work full time in hospital emergency departments. No funds may be used*

*for equipment or capital improvements not directly related to the improvement of hospital emergency department facilities or critical care units. An eligible hospital owned by a public entity may use funds it receives under this Chapter to secure federal matching funds under the Medi-Cal program, or any other federal or state health program that includes coverage of emergency services and reduces the burden of providing uncompensated emergency services by hospitals and physicians.*

*(e) (1) A hospital may not utilize funds received under this Article to supplement payments physicians receive for services to patients enrolled in the Medicare or Medi-Cal programs, but may use such funds to provide payments to physicians for on-call coverage of emergency services to all patients, including those enrolled in the Medicare or Medi-Cal programs, as provided by subparagraph (2) below. Such payments to physicians for on-call coverage shall not be considered payments for services.*

*(2) A hospital, in its sole discretion, may utilize funds it receives under this Chapter to provide compensation to a physician that is fair and reasonable for providing on-call coverage of emergency services only if the governing board of the hospital makes the following findings:*

*(A) The amount or rate of payment is reasonable and necessary for the hospital to maintain coverage of medical services to care for patients entering the hospital through the emergency department, or patients who have emergent conditions requiring the services of on-call physicians while in the hospital; and*

*(B) The method and amount of compensation to any physician or physicians is in compliance with applicable law.*

*(3) The governing board of a hospital, in its sole discretion, prior to entering into an agreement to compensate one or more physicians for on-call coverage of emergency services may obtain the opinion of an independent financial analyst with expertise in the hospital industry that the proposed amount or rate of payment to compensate physicians under the proposed agreement is fair and reasonable under the circumstances. If a hospital governing board elects to obtain such an opinion, it shall notify the department in writing, and the department shall, within ten days of receiving the hospital's written request, provide the hospital with the names of three independent financial analysts (which may be individuals or firms) from a list of such independent financial analysts qualified to issue such an opinion it establishes and maintains. The hospital shall provide the list of the independent financial analysts it receives from the department to the Executive Committee of the hospital's organized medical staff, and the medical staff Executive Committee shall have fifteen (15) days to review the list and make a preemptory challenge of one of the independent financial analysts by notifying the hospital's governing board in writing. The hospital governing board may make a preemptory challenge to one of the independent financial analysts. If two of the three independent financial analysts are subject to a preemptory challenge, the hospital governing board may retain only the remaining independent financial analyst. If more than one independent financial analyst is not subject to a preemptory challenge, the hospital shall so notify the department, and the department shall select one of the remaining independent financial analysts by lottery. In such event, the hospital may retain only the independent financial analyst selected by lottery, unless the governing board of the hospital and the medical staff Executive Committee agree upon the retention by the hospital of one of the other independent financial analysts on the list of the three financial analysts provided to the hospital by the department. The selected*



*independent financial analyst may charge the hospital a reasonable fee to issue a written opinion to the hospital governing board as to whether the proposed amount or rate of payment is fair and reasonable under the circumstances. In the event such independent financial analyst opines that the proposed amount or rate of payment is not fair and reasonable, upon request, the independent financial analyst may describe a range of payment amounts and rates that are fair and reasonable, under the circumstances, for the hospital to pay various types of physicians for on-call coverage. The hospital may not pay an amount or rate for on-call coverage of emergency services by a physician that is higher than any amount or rate determined to be fair and reasonable by the opinion of such independent financial analyst, nor shall the hospital pay less than its highest written offer to the physician or physicians that is fair and reasonable.*

(4) *A hospital may compensate a physician for providing on-call emergency services coverage only through a written agreement.*

(5) *The requirements of this subdivision relate only to the use of funds eligible hospitals received under this Article, and do not apply to the use of other funds by hospitals to pay for on-call coverage of emergency services by physicians.*

(f) *Nothing in this Chapter shall be construed to prevent a hospital, in its sole discretion, from providing reasonable compensation to a physician for providing emergency physician staffing for the emergency department in a manner consistent with the Medical Practice Act, Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.*

(g) *The hospital governing board, in consultation with the hospital's medical staff, shall ensure the appropriate coverage of medical services within its capabilities to meet the emergency services needs of its patients as required by law.*

1797.305. *The following definitions shall apply to terms utilized in this Chapter:*

(a) *"Bad-debt cost" means the aggregate amount of accounts and notes receivable accounted for during a calendar year by an eligible hospital as credit losses, using any method generally accepted for estimating such amounts on the date this Act became effective, based on patients' unwillingness to pay, and multiplied by the eligible hospital's cost-to-charges ratio.*

(b) *"County indigent program effort cost" means the amount of care during a calendar year by an eligible hospital, expressed in dollars and based upon the hospital's full established rates, provided to indigent patients for whom a county is responsible, whether the hospital is a county hospital or a non-county hospital providing services to indigent patients under arrangements with a county, multiplied by the eligible hospital's cost-to-charges ratio.*

(c) *"Charity care" means that portion of care provided by a hospital to a patient for which a third party payer is not responsible and the patient is unable to pay, and for which the hospital has no expectation of payment.*

(d) *"Charity-care cost" means amounts actually written off, using any method generally accepted for determining such amounts on the date this Act became effective, by an eligible hospital during a calendar year for that portion of care provided to a patient for whom a third party payer is not responsible and the patient is unable to pay, multiplied by the hospital's cost-to-charges ratio.*

(e) *"Charity care policy" means a policy adopted by the hospital establishing eligibility criteria for charity care services provided by the hospital.*

(f) *"Cost-to-charges ratio" means a ratio determined by dividing an eligible hospital's operating expenses less other operating revenue by gross patient revenue for its most recent reporting period.*

(g) “Operating expenses” means the total expenses incurred for providing patient care by the hospital. Operating expenses include (without limitation) salaries and wages, employee benefits, professional fees, supplies, purchased services, depreciation, leases, interest and other expenses.

(h) “Other operating revenue” means revenue generated by health care operations from non-patient care services to patients and others.

(i) “Gross patient revenue” means the total charges at the hospital’s full established rates for the provision of patient care services and includes charges related to hospital-based physician professional services.

(j) “Eligible hospital” or “hospital” means a hospital licensed to a public or private entity or person under subdivision (a) of Section 1250 of the Health and Safety Code, including without limitation, any hospital licensed to any county, city, hospital district, or the Regents of the University of California (but not including any hospital licensed to a department of the State of California, or to the federal government) which either operates an emergency department or is a children’s hospital as defined in Section 10727 of the Welfare and Institutions Code.

(k) “Emergency department encounter” or “emergency department visit” means a face-to-face contact between a patient and the provider who has primary responsibility for assessing and treating the patient in an emergency department and exercises independent judgment in the care of the patient. An emergency department encounter or visit is counted for each patient of the emergency department, regardless of whether the patient is admitted as an inpatient or treated and released as an outpatient. An emergency department encounter or visit shall not be counted where the patient received triage services only.

(l) “Emergency services” or “hospital emergency services” means all services provided to patients in a hospital emergency department and all other patient services related to treatment of an emergent medical condition in any department or unit of a hospital, including, without limitation, any procedures necessary to avoid loss of life, serious disability, or severe pain until the patient has been stabilized and transferred to another health facility or discharged.

(m) “Office” means the Office of Statewide Health Planning and Development.

(n) “Department” means the state Department of Health Services.

(o) “Funding percentage” means the sum of (1) an eligible hospital’s percentage of hospital emergency care (as defined in subdivision (s) below) multiplied by a factor of .50, added to (2) such hospital’s percentage of effort (as defined in subdivision (p) below) multiplied by a factor of .50, the sum to be expressed as a percentage.

(p) “Hospital Sub-Account” or “Emergency and Trauma Hospital Services Sub-Account” means the Emergency and Trauma Hospital Services Sub-Account of the Tobacco Tax Fund established pursuant to paragraph (7) of subdivision (c) of Section 30132.3 of the Revenue and Taxation Code.

(q) “Tobacco Tax Fund” means the Tobacco Tax of 2006 Trust Fund established pursuant to Section 30132 of the Revenue and Taxation Code.

(r) “Percentage of effort” means the sum of an eligible hospital’s total amount of charity care cost plus that hospital’s total amount of bad-debt cost plus that hospital’s county indigent program effort cost, as a percentage of the sum of the total amount of charity care cost plus the total amount of bad-debt cost plus the total county indigent program effort cost reported in final form to the department by all eligible hospitals for the same calendar year.



(s) “Percentage of hospital emergency care” means an eligible hospital’s total emergency department encounters for the most recent calendar year for which such data has been reported to the department in final form, as a percentage of all emergency department encounters reported in final form by all eligible hospitals for the same calendar year. In the case of a children’s hospital that does not operate an emergency department and provides emergency treatment to a patient under twenty-one years of age under arrangements with an emergency department of a hospital that is: (1) located within 1,000 yards of the children’s hospital; and (2) is either (A) under common ownership or control with the children’s hospital, or (B) has contracted with the children’s hospital to provide emergency services to its patients under twenty-one years of age, the children’s hospital providing emergency services to such patient shall receive credit for the emergency department encounter, and not the hospital operating the emergency department.

(t) “Unreimbursed cost of providing emergency service” means the difference between the hospital’s cost of providing emergency services, determined by multiplying its gross patient charges for providing such services by its cost-to-charges ratio, and the amount it actually receives for providing such services, where the hospital has not agreed to accept the payment it receives as payment in full.

(u) “Physician” means a physician and surgeon licensed under the Medical Practice Act, Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.

1797.306. A hospital receiving funds under this Chapter shall maintain a written record of its use of all such funds, which shall be available to the department upon request, and available for inspection upon written request by the public. A hospital shall return to the department any funds it receives under this Chapter that it does not use for the purposes specified within one year of receipt or, in the case of a capital project, are not committed within two years of receipt by the governing board for a specific use. Any unused funds returned to the department shall be deposited in the Emergency and Trauma Hospital Services Sub-Account within the Tobacco Tax of 2006 Trust Fund for allocation to eligible hospitals in accordance with the provisions of Section 1797.304.

1797.307. The department may promulgate and adopt regulations to implement, interpret and make specific the provisions of this Article pursuant to the provisions of the Administrative Procedures Act as set forth in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall have no authority to promulgate quasi-legislative rules, or to adopt any rule, guideline, criterion, manual, order, standard, policy, procedure or interpretation that is inconsistent with the provisions of this Chapter. This Section shall not be interpreted to allow the department to adopt regulations (as defined by Section 11342.600 of the Government Code) in contravention of Section 11340.5 of the Government Code.

1797.308. No hospital may receive funds under this Chapter unless it complies with the provisions of Article 2 (commencing with Section 1797.309), relating to financial assistance to certain low-income patients.

## Article 2. Hospital Charity Care and Financial Assistance Policies

1797.309. For purposes of this Article the following definitions shall apply:

(a) “Allocation” means an allocation of funds received by a hospital under Article 1 (commencing with Section 1797.300) of this Chapter.

(b) “Discounted payment” means the payment amount after application of a discount from its full charges for services offered by a hospital to patients who have no or inadequate insurance and qualify under the hospital’s discount payment policy.

(c) “Discount payment policy” means a policy adopted by the hospital establishing eligibility criteria for receiving services for a discounted payment.

(d) “Federal poverty level” means the most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.

(e) “Hospital” means an “eligible hospital,” as defined by subdivision (j) of Section 1797.305.

1797.309.5. Each hospital shall comply with the provisions of this Article throughout each calendar year in which it receives an allocation. The requirements of this Article are applicable only to hospitals receiving an allocation, and shall not be construed to limit the ability of the Legislature to enact charity care or discount payment policies applicable to all acute hospitals as a condition of licensure or participation in any other state program.

1797.310. (a) Each hospital shall maintain an understandable, written charity care policy and discount payment policy for low-income patients with no or inadequate insurance.

(b) Each hospital’s charity care policy and discount payment policy shall clearly state eligibility criteria based upon the income and monetary assets of the patient, or consistent with the application of the federal poverty level, the patient’s family. In determining such eligibility, a hospital may consider income and monetary assets of the patient, or the family of the patient. For purposes of such determination, monetary assets shall not include retirement or deferred-compensation plans qualified under the Internal Revenue Code, or non-qualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000) of a patient’s or a patient’s family’s monetary assets shall not be counted in determining eligibility; nor shall fifty percent (50%) of such assets over the first ten thousand dollars be counted in determining eligibility. The policy shall also state the process used by the hospital to determine whether a patient is eligible for charity care or discounted payment.

(c) Patients who are at or below three hundred fifty percent (350%) of the federal poverty level shall be eligible to apply for participation under each hospital’s charity care policy or discount payment policy. However, rural hospitals, as defined by Section 124840, may establish eligibility levels for financial assistance and charity care at less than three hundred fifty percent (350%) of the federal poverty level as appropriate to maintain their financial and operational integrity.

(d) Absent any regulatory prohibition, each hospital shall limit expected payment for services it provides to any patient at or below three hundred fifty percent (350%) of the federal poverty level eligible under its discount payment policy to the greater of the amount of payment the hospital would receive for providing such services from Medicare or any other government-sponsored health program of health benefits in which the hospital participates. If the hospital provides a service for which there is no established payment by Medicare or any other government-sponsored program of health benefits in which the hospital participates, the hospital shall establish an appropriate discounted payment.

(e) A hospital shall use its best efforts to ensure all financial assistance policies are applied consistently.

(f) Any patient, or the patient's legal representative, seeking either charity care or discounted payment shall provide the hospital with information concerning health benefits coverage, financial status and other information that is reasonable and necessary for the hospital to make a determination regarding the patient's status relative to the hospital's charity care policy, discount payment policy, or eligibility for government-sponsored programs. For purposes of proving income, a patient or the patient's legal representative, must provide verification of the patient's or the patient's family's income. Reasonable and necessary information on monetary assets may include account numbers for all monetary assets, but shall not include statements on retirement or deferred compensation plans qualified under the Internal Revenue Code, or non-qualified deferred compensation plans. Hospitals may require waivers or releases from the patient, or the patient's family, authorizing the hospital to obtain account information from the financial or commercial institutions, or other entities that hold or maintain the monetary assets to verify their value.

(g) Eligibility for charity care and discounted payments may be determined at any time the hospital is in receipt of all the information needed to determine the patient's eligibility under its applicable policies.

(h) In determining a patient's eligibility for financial assistance, a hospital shall assist the patient in determining if he or she is eligible for government-sponsored programs.

1797.311. (a) Each hospital shall post notices regarding the availability of its discount payment policy and charity care policy. These notices shall be posted in visible locations throughout the hospital, including, but not limited to, patient admissions and registration, the billing office, the emergency department and other outpatient settings.

(b) Every posted notice regarding financial assistance policies shall contain brief instructions on how to apply for charity care or a discounted payment. Each notice shall include a contact telephone number that a patient or family member can call to obtain more information.

(c) A hospital shall train appropriate staff members about the hospital's discount payment policy. Training shall be provided to all staff members who directly interact with patients regarding their hospital bills.

(d) Each hospital shall make its charity care and discount payment policies available to appropriate community health and human services agencies and other organizations that assist low-income patients.

1797.312. (a) Each hospital shall have a written policy about when and under whose authority patient debt is advanced for collection, and shall use its best efforts to ensure that patient accounts are processed fairly and consistently.

(b) Each hospital shall establish a written policy defining standards and practices for the collection of debt, and shall obtain a written agreement from any agency that collects hospital receivables that it will adhere to the hospital's standards and scope of practices. In determining the amount of a debt a hospital may seek to recover from patients eligible under its charity care policy or discount payment policy, the hospital may consider only income and monetary assets as limited by subdivision (b) of Section 1797.310.

(c) At time of billing, each hospital shall provide to all low-income and uninsured patients, as the same are defined in policies adopted by the hospital regarding eligibility for charity care and discounted payment, the same information concerning services and charges provided to all other patients who receive care at the hospital.

*(d) When sending a bill to a patient, each hospital shall include: (1) a statement that indicates that if the patient meets certain low-income requirements the patient may be eligible for a government-sponsored program or for financial assistance from the hospital; and (2) a statement that provides the patient with the name and telephone number of a hospital employee or office from whom or which the patient may obtain information about the hospital's financial assistance policies for patients and how to apply for such assistance.*

*(e) For patients who have a completed application pending for either government-sponsored coverage or for eligibility under the hospital's own charity care or discount payment policies, a hospital shall not knowingly send that patient's bill to a collection agency prior to 120 days from time of initial billing, and without first having made more than one attempt to collect the bill, or while the completed application is being processed by a governmental agency or the hospital.*

*(f) If a patient qualifies for eligibility under the hospital's charity care or discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency if the hospital knows that doing so may negatively impact a patient's credit.*

*(g) The hospital or collection agency operating on behalf of the hospital shall not, in dealing with patients eligible under the hospital's charity care or discount payment policies, use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills. This requirement does not preclude hospitals from pursuing reimbursement from third-party liability settlements or tortfeasors or other legally responsible parties.*

*(h) Any extended payment plans offered by a hospital to assist patients eligible under the hospital's charity care or discount payment policy, or any other policy adopted by the hospital for assisting low-income patients with no or inadequate insurance in settling past due outstanding hospital bills, shall be interest free.*

*1797.313. (a) Notwithstanding any other provision of law, the amounts paid by parties for services resulting from reduced or waived charges under a hospital's discount payment or charity care policy shall not constitute the hospital's uniform, published, prevailing, or customary charges, its usual fees to the general public, or its charges to non-Medi-Cal purchasers under comparable circumstances, and shall not be used to calculate a hospital's median non-Medicare or Medi-Cal charges, for purposes of any payment limit under the federal Medicare program, the Medi-Cal program or any other federal or state-financed health care program.*

*(b) Nothing in this Article shall be construed to prohibit a hospital from uniformly imposing charges from its established charge schedule or published rates, nor shall this Article preclude the recognition of a hospital's established charge schedule or published rates for purposes of applying any payment limit, interim payment amount, or other payment calculation based upon a hospital's rates or charges under the Medi-Cal, Medicare, worker's compensation, or other federal, state or local public program of health benefits.*

*(c) To the extent that any requirement of this Article results in a federal determination that a hospital's established charge schedule or published rates are not the hospital's customary or prevailing charges for services, the requirement in question shall be inoperative. The department shall seek federal*

*guidance regarding modification to the requirement in question. All other requirements in this Article shall remain operative.*

**SEC. 10. Preservation of Existing Funding**

Section 16950.2 is added to Article 3 of Chapter 5 of Part 4.7 of Division 9 of the Welfare and Institutions Code, to read:

*16950.2. (a) An amount, equal to the amount appropriated and allocated pursuant to Section 39.1 of Chapter 80 of the Statutes of 2005, twenty-four million eight hundred three thousand dollars (\$24,803,000), shall be transferred and allocated pursuant to subdivision (b) from accounts within the Cigarette and Tobacco Products Surtax Fund (commencing with Section 30122 of the Revenue and Taxation Code) as follows:*

*(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) This transfer shall be made on June 30 of the first fiscal year following adoption of this Act, and on June 30 of each fiscal year thereafter. Funds transferred are continuously appropriated without regard to fiscal years for the purposes so stated for each such account.*

*(d) (1) Funds allocated pursuant to this Section from the Physician Services Account and the Hospital Services Account in the Cigarette and Tobacco Products Surtax Fund shall be used only for reimbursement of physicians for losses incurred in providing uncompensated emergency services in general acute-care hospitals providing basic, comprehensive, or standby 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, and shall be paid only to physicians who directly provide emergency medical services to patients, based on claims submitted or a subsequent reconciliation of claims. Payments shall be made as provided in Sections 16951 to 16959, inclusive, of the Welfare and Institutions Code, and payments shall be made on an equitable basis, without preference to any particular physician or group of physicians.*

*(2) If a county has an EMS Fund Advisory Committee that includes both emergency physicians and emergency department on-call back-up panel physicians, and if the committee unanimously approves, the administrator of the EMS Fund may create a special fee schedule and claims submission criteria for reimbursement for services rendered to uninsured trauma patients, provided that no more than fifteen percent (15%) of the tobacco tax revenues allocated to the county's EMS Fund is distributed through this special fee schedule, that*



*all physicians who render trauma services are entitled to submit claims for reimbursement under this special fee schedule, and that no physician's claim may be reimbursed at greater than fifty percent (50%) of losses under this special fee schedule.*

SEC. 11. Amendment

(a) Except as hereafter provided, this Act may only be amended by the electors pursuant to Article II, Section 10(c) of the California Constitution.

(b) Notwithstanding subdivision (a), the Legislature may amend Sections 8 and 9 of this Act to further its purposes by a statute passed in each house by roll-call vote entered in the journal, four-fifths of the membership concurring.

(c) Notwithstanding subdivisions (a) and (b), the Legislature may amend Article 2 (commencing with Section 1797.309) of Chapter 4.5 of Division 2.5 of the Health and Safety Code to further its purposes by a statute passed in each house by roll-call vote entered in the journal, two-thirds of the membership concurring.

(d) Notwithstanding subdivisions (a), (b), and (c), the Legislature may amend Sections 6 and 7 of this Act to further its purposes by a statute passed in each house by roll-call vote entered in the journal, a majority of the membership concurring, except that the Legislature may not amend subdivision (b) of Section 12693.992 of the Insurance Code added by Section 6 of this Act or subdivision (a) or paragraph (1) of subdivision (c) of Section 1246 of the Health and Safety Code added by Section 7 of this Act.

SEC. 12. Statutory References

Unless otherwise stated, all references in this act to existing statutes are to statutes as they existed on December 31, 2005.

SEC. 13. Severability

If any provision of this act, 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 of this Act are severable.

SEC. 14. Conflicting Measures

(a) 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.

(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.

SEC. 15. Conformity with State Constitution

Section 14 is added to Article XIII B of the California Constitution, to read:

*SEC. 14. (a) "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the Tobacco Tax Act of 2006. 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 Tobacco Tax of 2006 Trust Fund.*

*(b) The tax created by the Tobacco Tax Act of 2006 and the revenue derived therefrom shall not be considered General Fund revenues for the purposes of Section 8 of Article XVI.*

*(c) Distribution of moneys in the Tobacco Tax of 2006 Trust Fund or any of the Accounts or Sub-Accounts created therein, shall be made pursuant to the Tobacco Tax Act of 2006 notwithstanding any other provision of this Constitution.*

Number  
on ballot

87. **Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers.**

[Submitted by the initiative and rejected by electors November 7, 2006.]

## PROPOSED LAW

### THE CLEAN ALTERNATIVE ENERGY ACT

#### SECTION 1. TITLE

This measure shall be known as the “Clean Alternative Energy Act.”

#### SEC. 2. FINDINGS AND DECLARATIONS

The people of California find and declare the following:

A. Californians are facing a severe energy crisis. In 2005, the price of oil nearly doubled and the cost of a gallon of gas soared to over \$3 in some areas, causing ordinary consumers extreme financial distress while the big oil companies reported record profits.

B. Our demand for energy is rising rapidly while our energy supply shrinks, and we continue to grow more dependent on foreign oil.

C. Our excessive dependence on fossil fuels is imposing economic, environmental, and social costs. High-polluting vehicles like diesel buses and trucks create significant air pollution that is threatening the health of our families and children with lung diseases and asthma. They can and should be replaced by clean alternative fuel vehicles.

D. California is the only major oil-producing state in the country that does not impose a comparable fee on oil produced at its wells. California’s oil producers are enjoying windfall profits at the expense of California consumers and taxpayers.

E. An assessment paid by California’s big oil companies on their excess profits is a proven way to reclaim some of those revenues without raising prices for consumers. California is the only one of the nation’s top five oil-producing states without a comparable assessment on oil producers. These assessments have proven to be impossible for the big oil companies to “pass along” to consumers in the form of higher gas prices at the pump because oil prices are set on the global market without regard to regional or local costs or assessments.

F. Consumers should be protected from any attempt at price gouging by big oil companies if they try to pass along their assessment costs by increasing gas prices at the pump.

G. The proceeds from the assessment on California oil companies’ excess profits should be used to reduce the consumption of petroleum, foster the development and use of clean alternative fuels, clean alternative fuel vehicles, and renewable energy technologies, and improve energy efficiency in California.



H. A clean, environmentally-sound energy economy with greatly improved energy efficiency is a vital, pro-business goal. Given that fossil fuel reserves are finite, and that the global appetite for energy is growing, the only question is when—not if—we will make our economy significantly more energy efficient and switch to renewable energies and get more work out of less energy. But politicians in Washington have failed to offer visionary leadership for energy independence or to capture the economic rewards of early action in this critical technology sector.

I. The United States' dependence on foreign oil is a serious danger to U.S. national security, hampers U.S. foreign policy, and is a persistent threat to the U.S. economy. Because 60% of the petroleum the U.S. currently uses comes from foreign imports, and because California is the largest consumer of petroleum products, we must do our part to address these national problems.

J. Further delay in beginning the transition to clean, efficient, and renewable energy puts California and the U.S. at risk for economic upheaval, and cedes the opportunity for new energy technological and industrial leadership to other more pro-active countries, thereby perpetuating our dependence on foreign energy sources.

K. The transition to a renewable energy economy creates an opportunity for California to profit economically, socially, and environmentally. Clean alternative energy technologies like solar, wind, and hydrogen, and clean alternative fuel vehicles like hybrids and bio-fueled cars and trucks are available today and can help reduce our dependence on oil and gasoline.

L. California's history of technological innovation and entrepreneurship, international leadership in promoting energy efficiency, abundance of world-leading academic institutions, national leadership in environmental stewardship, and position as one of the United States' largest energy consumers uniquely qualifies us to lead the way into the renewable energy era.

### SEC. 3. PURPOSE AND INTENT

It is the intent of the people of California in enacting this measure to:

A. Invest approximately \$4 billion in projects and programs designed to enhance California's energy independence and to reduce our use of petroleum, including funding for: research, facility, and training grants to California's universities; vocational training grants to community colleges; and buydowns, loans, loan guarantees, and credits to accelerate the development and deployment of renewable energy technologies, energy efficiency technologies, clean alternative fuels, and clean alternative fuel vehicles;

B. Provide incentives to ordinary Californians to make clean alternative fuel vehicles and clean alternative fuels as affordable and easy to obtain as gasoline and diesel fuels and vehicles. Incentive programs like this have already succeeded in breaking other countries' oil dependence, and they can easily work in California today;

C. Create new industries, technologies, and jobs focused on renewable energy, energy efficiency, clean alternative fuels, and clean alternative fuel vehicles, expand our state's wealth, and ensure that any loan proceeds, royalties, or license fees the state receives as a result of the funding are reinvested in this program;

D. Reduce our dependence on foreign oil by developing renewable sources of energy and clean alternative fuels, increasing their usage here in California, and improving our energy efficiency;

E. Improve our environment, public health, and quality of life by reducing emissions of carbon dioxide and other global warming gases;

F. Reduce by 25% our use of petroleum transportation fuels in California from the 2005 level of 16 billion gallons annually to begin conserving four billion gallons annually by 2017, and conserve a total of 10 billion gallons over ten years between 2007 and 2017;

G. Invest in energy education in California so that California workers can take advantage of the job opportunities that will open up for those trained in emerging energy systems, technologies, and management methods;

H. Make full use of California's internal resources and its capability for innovation to develop new ways to meet four of the state's important long-term goals: the Renewable Portfolio Standard, Control of Greenhouse Gas Emissions from Motor Vehicles, the Governor's Greenhouse Gas targets, and the petroleum reduction goals set forth in this Act;

I. Impose an assessment on oil extracted from California's oil wells to ensure that California consumers' future energy needs are met without raising gasoline prices for consumers today. By ensuring that oil producers in California finally pay their fair share, we will create a dedicated funding stream of approximately \$4 billion to secure California's future energy independence;

J. Ensure that California oil companies fully comply with the excess profits assessment and protect consumers by prohibiting the oil companies, consistent with U.S. Supreme Court precedent, from attempting to gouge consumers by using the assessment as a pretext to raise prices on oil, gasoline, and diesel fuels in California; and

K. Ensure that the revenues from the new assessment on California oil producers are invested wisely in the most promising research and technologies, and require mandatory independent audits and annual progress reports so that the leaders of this project are accountable to the people of California.

SEC. 4. Article XXXVI is added to the California Constitution, to read:

*SECTION 1. There is hereby established in state government the Clean Alternative Energy Program.*

*SEC. 2. The Clean Alternative Energy Program shall be administered by the California Energy Alternatives Program Authority, which is established in Division 16 (commencing with Section 26000) of the Public Resources Code, and shall be funded by the California Energy Independence Fund Assessment, which is established in Part 21 (commencing with Section 42000) of Division 2 of the Revenue and Taxation Code.*

*SEC. 3. In addition to the powers set forth in Division 16 (commencing with Section 26000) of the Public Resources Code, the California Energy Alternatives Program Authority shall have the power, notwithstanding Article XVI, any other article of this Constitution, or any other provision of law, to use revenues produced by the California Energy Independence Fund Assessment to provide incentives including, but not limited to, grants, loans, loan guarantees, buydowns, and credits to universities, community colleges, research institutions, individuals, companies, associations, partnerships, and corporations pursuant to the Clean Alternative Energy Act or to secure the repayment of any bonds, bond anticipation notes, and other obligations and indebtedness of the authority issued pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code, and any other costs associated with such bonds, that are used to fund such incentives.*

SEC. 4. (a) Revenues produced by the California Energy Independence Fund Assessment shall be deposited in the California Energy Independence Fund, which is hereby created as a special fund in the State Treasury, to be held in trust for the purposes of the Clean Alternative Energy Act. Moneys held in the California Energy Independence Fund are hereby continuously appropriated, without regard to fiscal year, for those purposes alone.

(b) The California Energy Alternatives Program Authority shall be authorized to expend four billion dollars (\$4,000,000,000) from the California Energy Independence Fund for the purposes of the Clean Alternative Energy Act, as provided in subdivision (d) of Section 26045 of the Public Resources Code.

(c) The proceeds of any bonds, bond anticipation notes, and other obligations and indebtedness of the authority issued pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code, the revenues produced by any grants or loans made pursuant to the Clean Alternative Energy Act, and any royalties or license fees generated pursuant to the Clean Alternative Energy Act shall be deposited in the California Energy Independence Fund and are hereby continuously appropriated, without regard to fiscal year, for the purposes of the Clean Alternative Energy Act alone.

(d) The moneys in the California Energy Independence Fund may not be used for any purpose or program other than the purposes or programs authorized by the Clean Alternative Energy Act, and may not be loaned to the state General Fund, or to any other fund of the state, or to any fund of a county, or any other entity, or borrowed by the Legislature, or any other state or local agency, for any purpose other than the purposes authorized by the Clean Alternative Energy Act.

(e) Notwithstanding any other provision of this Constitution, revenues generated by the California Energy Independence Fund Assessment shall not be deemed to be "revenues" or "taxes" for purposes of computing any state expenditure or appropriation limit that is enacted on or after June 6, 2006, nor shall their expenditure or appropriation be subject to any reduction or limitation imposed pursuant to any provision enacted after that date.

SEC. 5. Section 14 is added to Article XIII B of the California Constitution, to read:

SEC. 14. (a) "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the California Energy Independence Fund, which is established in subdivision (a) of Section 4 of Article XXXVI. 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 Energy Independence Fund.

(b) Revenues generated by the California Energy Independence Fund Assessment shall not be considered General Fund revenues for the purposes of Section 8 and Section 8.5 of Article XVI.

SEC. 6. Section 26004 of the Public Resources Code is amended to read:  
26004. (a) There is in the state government the ~~California Alternative Energy and Advanced Transportation Financing~~ California Energy Alternatives Program Authority. The authority constitutes a public instrumentality and the exercise by the authority of powers conferred by this division and Article XXXVI of the California Constitution is the performance of an essential public function.

(b) The authority shall consist of ~~five~~ nine members, as follows:

(1) The Secretary for Environmental Protection ~~The Director of Finance.~~

(2) The Chairperson of the State Energy Resources Conservation and Development Commission.

(3) ~~The President of the Public Utilities Commission. The Treasurer.~~

(4) ~~The Controller. A Californian who has expertise in economics, energy markets, and energy efficiency technologies, appointed by the Governor.~~

(5) ~~The Treasurer, who shall serve as the chairperson of the authority. A Californian who has expertise, and who has demonstrated leadership, in public health, appointed by the Governor.~~

(6) A Californian who has expertise in finance, start-ups, and venture capital, preferably with experience in enterprises comparable in scale and purpose to those that would be eligible for funding pursuant to the Clean Alternative Energy Act, appointed by the Controller.

(7) A renewable energy or energy efficiency expert from a California university that awards doctoral degrees in the sciences who is either a member of the National Academy of Sciences or the National Academy of Engineering, or a Nobel Prize laureate, appointed by the Speaker of the Assembly.

(8) The dean or a tenured faculty member of a major, nationally recognized California business school that awards post-graduate degrees who has significant experience in as many as possible of new technology ventures, entrepreneurship, consumer marketing, consumer adoption of new trends, and enterprises comparable in scale and purpose to those that would be eligible for funding pursuant to the Clean Alternative Energy Act, appointed by the Senate Committee on Rules.

(9) A Californian who has expertise, and who has demonstrated leadership, in consumer advocacy, preferably with substantial experience in consumer marketing and business, appointed by the Attorney General.

(c) The members listed in paragraphs (1) to (5)(3), inclusive, of subdivision (b) may each designate a deputy or clerk in his or her agency to act for and represent the member at all meetings of the authority, who is employed under the member's authority, and, notwithstanding Section 7.5 of the Government Code, each such designee may act in his or her place and stead on the board. While serving on the board, the deputy may exercise the same powers that the member could exercise if he or she were personally present.

(d) The first meeting of the authority after the voters' enactment of the Clean Alternative Energy Act shall be convened by the Treasurer within 60 days of the effective date of the Act. At the first meeting, the members of the authority shall elect a chairperson, who shall serve a two-year term. No chairperson shall serve more than two consecutive two-year terms.

(e) Members of the authority and any entity controlled by a member shall not be eligible to apply for any incentive including, but not limited to, any grant, loan, loan guarantee, credit, or buydown awarded by the authority or any contract made by the authority.

(f) Members of the authority appointed pursuant to paragraphs (4) to (9), inclusive, of subdivision (b) shall serve four-year terms and shall be eligible to serve a maximum of two terms.

(g) Service as a member of the authority by a member of the faculty or administration of the University of California shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of a member of the authority as a member of the faculty or administration of the University of California and shall not result in automatic vacation of either office. Service as a member of the authority by an employee of an entity that is eligible for funding from the authority shall not be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of a member of the authority as an employee of an entity that is eligible for funding from the authority.

SEC. 7. Section 26005 of the Public Resources Code is amended to read:  
26005. All members of the authority shall serve thereon without compensation as members of the authority, *except for the members appointed pursuant to paragraphs (4) to (9), inclusive, of subdivision (b) of Section 26004, who shall be entitled to receive a per diem, established by the Department of Personnel Administration, based on comparable per diem paid to members of similar state boards and commissions, for each day actually spent in the discharge of the member's duties. All members of the authority shall be entitled to reasonable and necessary travel and other expenses incurred in the performance of the member's duties.*

SEC. 8. Section 26006 of the Public Resources Code is amended to read:  
26006. The provisions of this division shall be administered by the authority which shall have and is hereby vested with all powers reasonably necessary to carry out the powers and responsibilities expressly granted or imposed upon it under this division *and under Article XXXVI of the California Constitution.*

SEC. 9. Section 26008 of the Public Resources Code is amended to read:  
26008. ~~(a) The authority may employ an executive director and any other persons as are necessary to enable it properly to perform the duties imposed upon it by this division~~ *shall appoint a chief executive officer with substantial business experience in the private sector at a senior management level, preferably with experience in new technology, to serve the authority, as soon as reasonably practicable. The executive director chief executive officer shall serve at the pleasure of the authority and shall receive such compensation as shall be fixed by the authority. The authority may delegate to the executive director the power to enter contracts on behalf of the authority. The chief executive officer's primary responsibilities shall be to hire, direct, and manage the authority's staff; to develop the authority's two-year and ten-year strategic plans pursuant to Section 26045; to develop and recommend standards and procedures, including a competitive selection process, to govern the authority's consideration and award of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns pursuant to Section 26045; to develop recommendations for the award of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns pursuant to Section 26045; to develop and recommend procedures and standards to monitor recipients of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns awarded by the authority pursuant to Section 26045; and to execute and manage contracts on behalf of the authority.*

*(b) From time to time, the authority shall determine the total number of authorized employees for the authority.*

*(1) Notwithstanding Sections 19816, 19825, 19826, 19829, and 19832 of the Government Code, the authority shall fix and approve the compensation of the chief executive officer and other staff of the authority.*

*(2) When fixing and approving the compensation of the chief executive officer and other staff of the authority pursuant to paragraph (1), the authority shall be guided by the principles contained in Sections 19826 and 19829 of the Government Code, consistent with the authority's responsibility to recruit and retain highly qualified and effective employees.*

SEC. 10. Section 26010 of the Public Resources Code is amended to read:  
26010. (a) The Attorney General shall be the legal counsel for the authority, but with the approval of the Attorney General, the authority may employ such legal counsel as in its judgment is necessary or advisable to enable it to carry



out the duties and functions imposed upon it by this division, including the employment of such bond counsel as may be deemed advisable in connection with the issuance and sale of bonds.

(b) ~~The Director of Finance~~ *Treasurer* shall be the treasurer of the authority.

SEC. 11. Section 26020 of the Public Resources Code is amended to read:

26020. (a) The authority may incur indebtedness and issue and renew negotiable bonds, notes, debentures, or other securities of any kind or class *to carry out its corporate purposes*. All indebtedness, however evidenced, shall be payable solely from revenues of the authority, *including the proceeds from the assessment imposed pursuant to Part 21 (commencing with Section 42000) of Division 2 of the Revenue and Taxation Code* and the proceeds of its negotiable bonds, notes, debentures, or other securities; ~~and shall not exceed the sum of one billion dollars (\$1,000,000,000) of total debt outstanding.~~

(b) ~~As used in this section, "total debt outstanding" does not include either of the following:~~

(1) ~~A bond for which provisions have been made for prepayment through irrevocable escrow or other means, so that the bond is not considered outstanding under its authorizing document.~~

(2) ~~Indebtedness that is incurred to refund existing debts, except to the extent that the indebtedness exceeds the amount of those debts.~~

SEC. 12. Section 26021 of the Public Resources Code is repealed.

26021. ~~The Legislature may, by statute, authorize the authority to issue bonds, as defined in Section 26022, in excess of the amount provided in Section 26020.~~

SEC. 13. Section 26022 of the Public Resources Code is amended to read:

26022. (a) The authority is authorized from time to time to issue its negotiable bonds, notes, debentures, or other securities (hereinafter collectively called "bonds") for any of its purposes. The bonds may be authorized, without limiting the generality of the foregoing, to finance a single project for a single participating party, a series of projects for a single participating party, a single project for several participating parties, or several projects for several participating parties *and to finance expenditures authorized by the Clean Alternative Energy Act as set forth in Chapter 4 (commencing with Section 26043)*. In anticipation of the sale of bonds as authorized by Section 26020; ~~or as may be authorized pursuant to Section 26021~~, the authority may issue negotiable bond anticipation notes and may renew the notes from time to time. The bond anticipation notes may be paid from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. Notes and agreements relating to the notes and bond anticipation notes, hereinafter collectively called notes, and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which a bond, agreement relating to the bond, and bond resolution of the authority may contain. However, a note or renewal of the note shall mature at a time not exceeding two years from the date of issue of the original note.

(b) Except as may otherwise be expressly provided by the authority *and except as more particularly provided in subdivision (e)*, every issue of its bonds, notes, or other obligations shall be general obligations of the authority payable from any revenues or moneys of the authority available for these purposes and not otherwise pledged, subject only to any agreements with the holders of particular bonds, notes, or other obligations pledging any particular revenues or moneys and subject to any agreements with any participating party. Notwithstanding that

the bonds, notes, or other obligations may be payable from a special fund, they are for all purposes negotiable instruments, subject only to the provisions of the bonds, notes, or other obligations for registration.

~~(c) Subject to the limitations in Sections 26020 and 26021, the bonds Bonds~~ may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the authority and shall bear the date or dates, mature at the time or times, not exceeding 50 years from their respective dates, bear interest at the rate or rates, be payable at the time or times, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in a manner, be payable in lawful money of the United States of America at a place or places, and be subject to terms of redemption, as the resolution or resolutions may provide, *provided, however, that bonds issued for purposes of the Clean Alternative Energy Act shall have a maturity of not more than 25 years.* The bonds or notes shall be sold by the Treasurer within 60 days of receipt of a certified copy of the authority's resolution authorizing the sale of the bonds. However, the authority, at its discretion, may adopt a resolution extending the 60-day period. The sales may be a public or private sale, and for the price or prices and on the terms and conditions, as the authority shall determine ~~after giving due consideration to the recommendations of any participating party to be assisted from the proceeds of the bonds or notes.~~ Pending preparation of the definitive bonds, the Treasurer may issue interim receipts, certificates, or temporary bonds which shall be exchanged for the definitive bonds. The Treasurer may sell any bonds, notes, or other evidence of indebtedness at a price below their par value. ~~However, the discount on any security so sold shall not exceed 6 percent of the par value.~~

(d) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to all of the following:

(1) Pledging the full faith and credit of the authority or pledging all or any part of the revenues of any project or any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation, or association or other body, public or private, or other moneys of the authority, *including moneys deposited in the California Energy Independence Fund created by Article XXXVI of the California Constitution*, to secure the payment of the bonds or of any particular issue of bonds, subject to the agreements with bondholders as may then exist.

(2) The rentals, fees, purchase payments, loan repayments, and other charges to be charged, and the amounts to be raised in each year by the charges, and the use and disposition of the revenues.

(3) The setting aside of reserves or sinking funds, and the regulation and disposition of the reserves or sinking funds.

(4) Limitations on the right of the authority or its agent to restrict and regulate the use of the project or projects to be financed out of the proceeds of the bonds or any particular issue of bonds.

(5) Limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging those proceeds to secure the payment of the bonds or any issue of the bonds.

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds.



(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which that consent may be given.

(8) Limitations on expenditures for operating, administrative, or other expenses of the authority.

(9) Defining the acts or omissions to act which constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of the holders in the event of a default.

(10) The mortgaging of any project and the site of the project for the purpose of securing the bondholders.

(11) The mortgaging of land, improvements, or other assets owned by a participating party for the purpose of securing the bondholders.

(12) Procedures for the selection of projects to be financed with the proceeds of the bonds authorized by the resolution, if the bonds are to be sold in advance of the designation of the projects and participating parties to receive the financing.

*(e) Notwithstanding any other provision of this division, the authority may pledge all moneys which are deposited in the Debt Service Account of the California Energy Independence Fund, which is established by Article XXXVI of the California Constitution, to the payment of the principal of premium, if any, or interest on any bonds, bond anticipation notes or other obligations of the authority used to finance the Clean Alternative Energy Act, together with payment of all ancillary obligations, as that term is defined in Section 26048, or other costs of issuing or carrying such bonds. The authority shall determine from time to time and notify the State Board of Equalization in writing the amounts which must be deposited each month, or during the course of each fiscal year, in the Debt Service Account to provide for all the aforementioned payments and costs, and any coverage factors which are required by the bond documents. The lien of the pledge of the amounts in the Debt Service Account shall vest automatically upon the execution and delivery of the resolution, trust agreement, or other agreement relating to the bonds, bond anticipation notes, other obligations, or ancillary agreements, without requirement of any filing or notice. If moneys are deposited in the Debt Service Account which exceed the amounts necessary to pay current obligations for repayment of bonds, other obligations and ancillary obligations, the authority shall apply such excess funds to the early retirement of such bonds to the maximum extent fiscally prudent.*

~~(e)~~ (f) Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

~~(f)~~ (g) The authority shall have power out of any funds available for these purposes to purchase its bonds or notes. The authority may hold, pledge, cancel, or resell those bonds, subject to and in accordance with agreements with bondholders.

SEC. 14. Section 26024 of the Public Resources Code is amended to read:  
26024. Bonds issued under the provisions of this division shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof, other than the authority, or a pledge of the faith and credit of the state or of any such political subdivision, other than the authority, but shall be payable solely from the funds herein provided therefor. All such bonds shall contain on the face thereof a statement to the following effect:

“Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this bond.”

*The Except as set forth in Sections 26022 and 26049, the issuance of bonds under the provisions of this division shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. Nothing contained in this section shall prevent nor be construed to prevent the authority from pledging its full faith and credit to the payment of bonds or issue of bonds authorized pursuant to this division.*

SEC. 15. Section 26029.4 of the Public Resources Code is amended to read:

26029.4. Subject to Section 26029.6, the existence of the authority may be terminated at any time by the Legislature *no sooner than January 1, 2027, or after the assets of the authority have been fully expended, whichever is later.* Upon dissolution of the authority, the title to all properties owned by it shall, subject to the interests of any participating parties therein, vest in and become the property of the State of California and shall not inure to the benefit of any private party. *Notwithstanding the foregoing, so long as any bonds or other obligations secured by the assessment imposed by Part 21 (commencing with Section 42000) of Division 2 of the Revenue and Taxation Code remain outstanding, neither the Legislature nor the people may reduce or eliminate the assessment, and this pledge may be included in the proceedings of any such bonds as a covenant with the holders of such bonds.*

SEC. 16. Section 26033 of the Public Resources Code is amended to read:

26033. All moneys received pursuant to the provisions of this division, whether as proceeds from the sale of bonds, notes, or other evidences of indebtedness or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this division. Any bank or trust company with which such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as the resolution authorizing the bonds of any issue or the trust agreements securing such bonds may provide. *The proceeds from the assessment imposed pursuant to Part 21 (commencing with Section 42000) of Division 2 of the Revenue and Taxation Code, the proceeds from the sale of bonds, notes, or other evidences of indebtedness secured by the assessment, and any revenues generated by the Clean Alternative Energy Act shall be deposited in the California Energy Independence Fund, as established by Section 4 of Article XXXVI of the California Constitution, and shall be used solely for the purposes of the Clean Alternative Energy Act. Notwithstanding any other provision of law, proceeds of bonds issued pursuant to this division, including those deposited in the Clean Energy Independence Fund, may be held by a trustee outside the state treasury system as provided by this chapter.*

SEC. 17. Chapter 4 (commencing with Section 26043) is added to Division 16 of the Public Resources Code, to read:

#### CHAPTER 4. CLEAN ALTERNATIVE ENERGY PROGRAM

##### Article 1. General Provisions

26043. *This chapter implements the Clean Alternative Energy Act, including Article XXXVI of the California Constitution. As used throughout this chapter, "Act" refers to the Clean Alternative Energy Act.*

26044. *This chapter shall govern the expenditure of all revenues deposited in the California Energy Independence Fund.*

26045. *In addition to its other powers and duties, the authority shall perform the following functions:*

(a) *Within nine months of the effective date of the Act, and every two years thereafter, adopt or modify two-year and ten-year strategic plans to guide the authority's funding decisions in the areas of petroleum use reduction, academic research and vocational training, technology innovation, and public education in order to meet the goals of this Act within 10 years of the adoption of the authority's initial strategic plans.*

(b) *Adopt procedures and standards, including a competitive selection process, to govern the authority's consideration and award of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns. The incentives approved by the authority shall not be deemed to be contracts subject to the Public Contract Code.*

(c) *Award incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns, through a competitive selection process designed to achieve the objectives of this Act within 10 years of the date of adoption of the authority's initial strategic plans. For loans and loan guarantees, to the extent permitted under California law, the authority shall use all prudent means to maximize the impact of the loans and loan guarantees by recycling funds or remarketing loans or loan guarantees.*

(d) *Expend four billion dollars (\$4,000,000,000) within ten years of the date of adoption of the authority's initial strategic plans to achieve the objectives of the Act from either the proceeds of bonds or other obligations of the authority or from the California Energy Independence Fund Assessment deposited in the accounts established pursuant to subdivision (b) of Section 26049. This amount shall not include the costs of repaying indebtedness associated with the Clean Alternative Energy Act, including principal, interest, ancillary obligations, and other costs of any bonds issued pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code. The authority shall expend any additional amounts remaining in the California Energy Independence Fund in furtherance of the purposes of this Act.*

(e) *Adopt procedures and standards to monitor recipients of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns, awarded by the authority.*

(f) *Adopt objective standards to measure the authority's success in meeting the goals of this Act.*

(g) *Ensure the completion of an annual independent financial audit of the authority's operations and issue public reports regarding the authority's activities.*

(h) *Notwithstanding Section 11005 of the Government Code, accept additional revenue and real and personal property including, but not limited to, gifts, bequests, royalties, interest, and appropriations to supplement the authority's funding. Notwithstanding Section 26049, donors may earmark gifts for a particular purpose authorized by this Act.*

(i) *Appoint one advisory review committee of no more than nine members for each account established pursuant to subdivision (b) of Section 26049 to assist the authority in its review of applications for funding, if the authority determines that it is necessary to obtain expertise in market dynamics or technology that is not available within the authority. Members of review committees shall be entitled to receive a per diem, established by the Department of Personnel Administration, based on comparable per diem paid to members of similar state*

*review committees, for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties. Members of the advisory review committees and any entity controlled by a member shall not be eligible to apply for any incentive including, but not limited to, any grant, loan, loan guarantee, credit, or buydown awarded by the authority or any contract made by the authority.*

*(j) Apply for federal matching funds where possible.*

*(k) Adopt regulations pursuant to the Administrative Procedure Act (Ch. 3.5 (commencing with Sec. 11340), Pt. 1, Div. 3, Title 2, Gov. C.) as necessary to implement this Act. In order to expedite the commencement of the program mandated by this Act, however, the authority may adopt interim regulations, including standards, without complying with the procedures set forth in the Administrative Procedure Act. The interim regulations shall remain in effect for 270 days unless earlier superseded by regulations adopted pursuant to the Administrative Procedure Act.*

*26046. The authority shall take all actions authorized by this chapter by a majority vote of a quorum of the authority, except as required by subdivision (f) of Section 26050 and subdivision (c) of Section 26056.*

*26047. Section 1090 of the Government Code shall not apply to any incentive including, but not limited to, a grant, loan, loan guarantee, credit, or buydown, or contract awarded by the authority pursuant to this chapter except where both of the following conditions are met:*

*(a) The member has a financial interest in an incentive or contract.*

*(b) The member fails to recuse himself or herself from making, participating in making, or in any way attempting to use his or her official position to influence a decision on the incentive or contract.*

#### Article 2. Definitions

*26048. As used in this Act, the following terms shall have the following meanings:*

*(a) "Ancillary obligation" means an obligation of the authority entered into in connection with any bonds issued under this division, including the following:*

*(1) A credit enhancement or liquidity agreement, including any credit enhancement or liquidity agreement in the form of bond insurance, letter of credit, standby bond purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement.*

*(2) A remarketing agreement.*

*(3) An auction agent agreement.*

*(4) A broker-dealer agreement or other agreement relating to the marketing of the bonds.*

*(5) An interest rate or other type of swap or hedging contract.*

*(6) An investment agreement, forward purchase agreement, or similar structured investment contract.*

*(b) "Buydown" means a payment to cover up to 100 percent of the difference in the purchase price between a clean alternative fuel vehicle and a comparable dedicated gasoline or diesel vehicle.*

*(c) "Clean alternative fuels" means fuels for use in transportation including, but not limited to, hydrogen, methanol, natural gas, ethanol blends consisting of at least 85 percent ethanol, and biodiesel blends consisting of at least 20 percent biodiesel that, when used in vehicles, have been demonstrated, to the satisfaction of the authority, to have the ability to meet applicable vehicular emission standards and that, relative to petroleum use, produce no net material*

increase in air pollution, water pollution, or any other substances that are known to damage human health, and reduce global warming pollution considering the full fuel-cycle assessment. Any fuel not specifically mentioned above must significantly decrease global warming pollution emissions compared to petroleum, considering the full fuel-cycle assessment, in order to be considered a clean alternative fuel.

(d) "Clean alternative fuel infrastructure" means facilities and equipment dedicated to clean alternative fuel production, storage, and distribution.

(e) "Clean alternative fuel vehicles" means light-, medium-, and heavy-duty conversions, conversion systems, and vehicles powered by clean alternative fuels, flexible-fuel vehicles, plug-in hybrids powered primarily by electricity, and battery-powered electric vehicles, all of which have been demonstrated, to the satisfaction of the authority, to have the ability to meet applicable vehicular emission standards and that, relative to petroleum use, produce no net material increase in air pollution (including global warming pollution), water pollution, or any other substances that are known to damage human health and which meet all applicable safety certifications and standards necessary to operate in California.

(f) "Energy efficiency technologies" means methods of obtaining more or better services from less energy, compared with typical current practices in California.

(g) "Full fuel-cycle assessment" means evaluating and comparing the full environmental and health impacts of each step in the life cycle of a fuel, including, but not limited to, all of the following:

(1) Feedstock extraction, transport, and storage.

(2) Fuel production, distribution, transport, and storage.

(3) Vehicle operation, including refueling, combustion or conversion, and evaporation.

(4) Electricity generation, distribution, and storage, when used in vehicles for transportation.

(h) "Petroleum reduction" means methods of reducing total projected petroleum use in California either through increased energy efficiency, clean alternative fuels, or a combination of both.

(i) "Renewable energy technologies" means energy production techniques, products or systems, distribution techniques, products or systems, and transportation machinery, products or systems, all of which utilize solely energy resources that are naturally regenerated over a short time scale and delivered directly from the sun (such as thermal, photochemical, and photoelectric), indirectly from the sun (such as wind, hydropower facilities of 30MW or less that are consistent with subparagraph (D) of paragraph (3) of subdivision (b) of Section 25743 of the Public Resources Code, and photosynthetic energy stored in biomass consistent with subdivisions (d) and (f) of Section 25743 of the Public Resources Code), or from other natural movements or mechanisms of the environment, such as geothermal and tidal energy. Renewable energy technologies do not include technologies that use energy resources derived from fossil fuels, waste products from fossil sources, or waste products from inorganic sources.

### Article 3. Allocation of Funds

26049. (a) From the revenues generated by the California Energy Independence Fund Assessment, there shall first be deposited in each calendar month into the Debt Service Account of the California Energy Independence



*Assessment Fund, which account is hereby created, moneys in such an amount as the authority determines and notifies the State Board of Equalization in writing is necessary and appropriate to pay the debt service on any outstanding bonds, bond anticipation notes, or other obligations and indebtedness of the authority, together with any ancillary obligations, any coverage factors required by the bond documents, any costs associated with the issuance or carrying of any bonds, bond anticipation notes, or other obligations and indebtedness of the authority, and any other costs determined by the authority to be necessary to carry out the financing authorized by this chapter. Notwithstanding any other provision of law, moneys in the Debt Service Account are continuously appropriated, without regard to fiscal year, to the authority for the repayment of bonds, other obligations or indebtedness or ancillary obligations or other costs of the authority relating to outstanding bonds and may be held by a trustee as authorized by Section 26023.*

*(b) After funds have been deposited in the Debt Service Account pursuant to subdivision (a) in any month, all funds deposited in the California Energy Independence Fund for that month, except as otherwise provided by this Act, shall be allocated as follows:*

*(1) Fifty-seven and one-half percent (57.5%) to the Gasoline and Diesel Use Reduction Account, which is hereby created.*

*(2) Twenty-six and three-quarters percent (26.75%) to the Research and Innovation Acceleration Account, which is hereby created.*

*(3) Nine and three-quarters percent (9.75%) to the Commercialization Acceleration Account, which is hereby created.*

*(4) Two and one-half percent (2.5%) to the Vocational Training Account, which is hereby created.*

*(5) Three and one-half percent (3.5%) to the Public Education and Administration Account, which is hereby created.*

*(c) Any funds allocated to the accounts established by paragraphs (1) to (5), inclusive, of subdivision (b) that are not encumbered or expended in any fiscal year shall remain in the same account for the next fiscal year, except as provided in subdivision (d) of Section 26058. Once all expenditures authorized by this Act have been made from the accounts established by paragraphs (1) to (5), inclusive, of subdivision (b), all proceeds from the California Energy Independence Fund Assessment shall be deposited in the Debt Service Account established by subdivision (a) until all obligations secured or payable from such account have been paid or payment has been provided for.*

*(d) Funds deposited in the accounts of the California Energy Independence Fund created in subdivision (b) shall be used to supplement, and not to supplant, existing state funding for research, vocational training, and technological development and deployment involving petroleum reduction, energy efficiency, and renewable energy. To maximize the use of available funds, the authority shall coordinate its expenditure of funds in the California Energy Independence Fund with other state agencies to avoid duplication and to ensure that the funds are expended efficiently and efficaciously.*

*26050. Based on the standards set forth in Section 26056, the authority may use the funds in the Gasoline and Diesel Use Reduction Account for the following categories of expenditures, based on the relative merit in petroleum reduction of transportation-related applications to the authority for funding from this account:*

(a) *Market-based incentives including, but not limited to, loans, loan guarantees, credits, and buydowns to fleets and individuals for the purchase of clean alternative fuel vehicles sold in California. For buydowns to state and local government agency fleets, the authority shall give preference to school bus, emergency services vehicle, waste disposal truck, and mass transit bus fleets. Other than these preference categories, buydowns will be market-based and subject to the authority determining that the buydown will significantly assist the technology to achieve unsubsidized market competitiveness. Demonstration projects are discouraged.*

(b) *Production incentives including, but not limited to, loans, loan guarantees, and credits for clean alternative fuel production in California, excluding the production of electricity, except clean fuel cell based electricity production.*

(c) *Incentives including, but not limited to, loans, loan guarantees, credits, and grants for the construction of publicly accessible clean alternative fuel refueling stations, including refueling stations that sell ethanol blends consisting of at least 85 percent ethanol (E-85) sufficient in number to match the existing supply of E-85 vehicles in California based on the ratio of diesel vehicles to diesel fuel stations, and electric vehicle chargers using similar criteria. The authority should consider issuing suitable requests for proposals for refueling stations as soon as practicable.*

(d) *Incentives including, but not limited to, loans, loan guarantees, and grants for the installation of publicly accessible clean alternative fuel infrastructure.*

(e) *Grants and loans to private enterprises for research involving clean alternative fuels and clean alternative fuel vehicles in California.*

(f) *Other expenditures which the authority determines, by a vote of seven or more members of the authority, represent urgent or extraordinary opportunities involving vehicle or fuel technologies that will advance the goal of reducing the use of petroleum transportation fuels in California from 2005 levels by ten billion (10,000,000,000) gallons over 10 years.*

26051. *Based on the standards set forth in Section 26057, the authority shall use the funds in the Research and Innovation Acceleration Account to make grants to California universities for facilities, post-baccalaureate student research training grants, and research, performed and located wholly on the contiguous campus of the university, to improve the economic viability and accelerate the commercialization of renewable energy technologies, such as solar, geothermal, wind, and wave technologies, and energy efficiency technologies in buildings, equipment, electricity generation, and vehicles.*

26052. *Based on the standards set forth in Section 26058, the authority shall use the funds in the Commercialization Acceleration Account to provide incentives including, but not limited to, loans, loan guarantees, and grants to fund the one-time or start-up costs of introducing petroleum reduction and renewable energy technologies, energy efficiency technologies, clean alternative fuels, and clean alternative fuel vehicles including, but not limited to, the certification of products, vehicles, and distribution systems, and for other costs that will accelerate the production and distribution of commercially viable products and technologies to the market and that, preferably, will promote California-based job creation, employment, and economic development.*

26053. *Based on the standards in Section 26059, the authority shall use the funds in the Vocational Training Account to:*

(a) *Make grants through the Office of the Chancellor of Community Colleges to California community colleges for staff development and facilities to train students to work with renewable energy technologies, energy efficiency*



*technologies, and clean alternative fuels, in buildings, equipment, electricity generation, and vehicles.*

*(b) Make grants through the Office of the Chancellor of Community Colleges to California community colleges for tuition assistance for low-income students and former fossil fuel energy workers and certified vehicle mechanics to obtain training to work with renewable energy technologies, such as solar, geothermal, wind, and wave technologies, clean alternative fuels, and energy efficiency technologies, in buildings, equipment, electricity generation, and vehicles.*

*26054. Based on the standards in Section 26060, the authority shall use the funds in the Public Education and Administration Account to:*

*(a) Educate the California public regarding the importance of energy efficiency technologies, renewable energy technologies, and full fuel-cycle petroleum reduction.*

*(b) Administer the authority.*

*(c) Monitor the implementation of the California Energy Independence Fund Assessment and refer any evidence that oil producers are attempting to gouge consumers by passing the assessment on to consumers in the form of higher prices for oil, gasoline, or diesel fuel to the Board of Equalization for investigation.*

#### *Article 4. Standards*

*26055. The authority shall establish the following standards:*

*(a) Intellectual Property Rights. The authority shall establish standards requiring that all research grants made pursuant to this Act shall be subject to intellectual property agreements that balance the opportunity of the State of California to benefit from the patents, royalties, and licenses that result from the research with the need to assure that such research is not unreasonably hindered by those intellectual property agreements.*

*(b) Oversight of Awards. The authority shall establish standards for the oversight of all incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns made under this Act to ensure compliance with all applicable terms and requirements. The standards shall include periodic reporting, including financial and performance audits, by all recipients of incentives, excluding individuals who receive buydowns, and shall permit the authority to discontinue funding or to take other action to ensure the purposes of this Act are being met.*

*26056. Standards for Gasoline and Diesel Use Reduction Account Expenditures.*

*(a) The authority shall make expenditures pursuant to Section 26050 consistent with the goal of reducing the rate of petroleum consumption in California by 25 percent within 10 years of the date of the authority's adoption of an initial strategic plan pursuant to this section, as compared with California's current sixteen billion (16,000,000,000) gallon annual rate of consumption, or roughly four billion (4,000,000,000) gallons of petroleum transportation fuels per year by 2017, and causing permanent and long-term reductions in petroleum consumption in California. The total reduction goal shall be ten billion (10,000,000,000) gallons of petroleum transportation fuels over 10 years. Prior to making any expenditure pursuant to Section 26050, the authority shall adopt a strategic plan pursuant to subdivision (a) of Section 26045, as follows:*

*(1) Within nine months of the effective date of this Act, the authority, in consultation with the California Air Resources Board, the California Energy Commission, and the Public Utilities Commission, shall adopt an Integrated*

*Resource Plan for petroleum reduction in California. The Integrated Resource Plan shall be based on the best estimates of the potential for unsubsidized market acceptance of technologies, products, or services within 10 years of the date of the adoption of the initial Integrated Resource Plan.*

*(2) The Integrated Resource Plan shall outline a strategy for the allocation of funds to programs with the highest return opportunities, using the financing powers provided to the authority by this division. The Integrated Resource Plan shall maximize the petroleum use reduction while considering the greenhouse gas reduction benefits of clean alternative fuels and clean alternative fuel vehicles. The Integrated Resource Plan shall also evaluate the expenditure of funds for clean alternative fuel vehicles and shall consider allocating funds necessary to balance the deployment of clean alternative fuel vehicles with accessibility to clean alternative fuels.*

*(3) The Integrated Resource Plan shall be developed with input from interested parties at scheduled public hearings of the authority under the leadership of the Chief Executive Officer of the authority. The authority shall update the plan every two years and shall amend the plan to ensure that it remains consistent with California Air Resources Board regulations and consistent with the priorities and goals of this Act.*

*(4) The Integrated Resource Plan shall contain an assessment of the potential of expenditures to meet or exceed the goal of reducing petroleum consumption by ten billion (10,000,000,000) gallons over 10 years. Expenditures shall only be made for items consistent with meeting or exceeding this goal. Expenditures shall also be consistent with, and shall receive priority according to their potential to meet or exceed, the emissions targets and goals set forth in Executive Order S-3-05, as published, and the emissions targets and goals set forth in Sections 1900, 1961, and 1961.1 of Title 13 of the California Code of Regulations, in effect as of December 1, 2005. If these emissions targets and goals are replaced by more stringent emissions targets and goals prior to dissolution of the authority, the more stringent emissions targets and goals shall be used to establish priority for all subsequent expenditures under Section 26050. The full fuel-cycle assessment should be applied to all fuels, including electricity as a transportation fuel. Different methods of producing a specific fuel may have different greenhouse gas emission reductions, and the various methods should be duly considered in evaluating the full fuel-cycle for that fuel. In the case of two vehicles with equivalent full fuel-cycle greenhouse gas emissions, priority shall be given to that which involves the lowest cost to the account.*

*(5) All expenditures made by the authority under this section shall be consistent with the strategy outlined in the Integrated Resource Plan.*

*(b) All expenditures on clean alternative fuel infrastructure and electric vehicle chargers shall be restricted to those that support clean alternative fuel vehicles that are available for sale and are producible in substantial volumes.*

*(c) Expenditures for buydowns shall be limited to 25 percent of the total amount deposited in the Gasoline and Diesel Use Reduction Account, unless the authority determines, by a two-thirds vote, that additional expenditures are warranted in order to most cost-effectively achieve the goals of this Act.*

*(d) All expenditures made pursuant to Section 26050 shall be based upon a competitive selection process, established pursuant to subdivision (b) of Section 26045. Pursuant to the competitive selection process, the authority shall, at a minimum:*

(1) *Ensure that the expenditure does not supplant existing state funding for the reduction of petroleum consumption in California.*

(2) *Evaluate the quality of the proposal for funding, including the availability of private matching funds, and the potential for achieving significant results, including the level of petroleum reduction within the state that is expected to be achieved as a result of the expenditure. Proposals with significant business validation and leverage from private equity funding or subordinate debt funding from private sources will be prioritized and given preference to establish the market viability of the proposals.*

(3) *Evaluate the unit cost of petroleum reduction of the proposal and the potential of the proposal to achieve unsubsidized market competitiveness and pervasive acceptance, adjusted for the risk and time value of money.*

(4) *Evaluate the probability that the proposal will result in a sustained, unsubsidized market-competitive technology or technologies that can achieve substantial consumer or business acceptance beyond the subsidy or incentive period.*

(5) *Ensure that the expenditure is consistent with the two-year and ten-year strategic plans adopted by the authority.*

26057. *Standards for Research and Innovation Acceleration Account Expenditures.*

(a) *The authority shall make expenditures pursuant to Section 26051 consistent with the goal of improving the economic viability, and accelerating the commercialization, of renewable energy technologies, such as solar, geothermal, wind, and wave technologies, and energy efficiency technologies in buildings, equipment, electricity generation, and vehicles. Prior to making any expenditures pursuant to Section 26051, the authority shall adopt a strategic plan pursuant to subdivision (a) of Section 26045.*

(b) *All expenditures made pursuant to Section 26051 shall be based upon a competitive selection process, established pursuant to subdivision (b) of Section 26045. Pursuant to the competitive selection process, the authority shall, at a minimum:*

(1) *Ensure that the expenditure is for research in renewable energy technologies or energy efficiency technologies.*

(2) *Ensure that the expenditure does not supplant existing state funding for research in renewable energy technologies or energy efficiency technologies and that the authority coordinates its expenditures with other state agencies, including the Public Interest Energy Research, Demonstration, and Development Program, established by Chapter 7.1 (commencing with Section 25620) of Division 15, to maximize the effectiveness of the expenditures and to avoid duplication of effort.*

(3) *Evaluate the quality of the research proposal, the potential for achieving significant results, including consideration of how the expenditure will aid or result in the commercialization, or significant and permanent deployment, of renewable energy technologies or energy efficiency technologies in California, and the time frame for achieving that goal.*

(4) *Give funding priority to research proposals that utilize more abundant renewable energy resources and that offer the greatest potential for technological breakthroughs. Priority shall additionally be given to research proposals that offer the greatest potential to meet or exceed the goals set forth in: (a) Executive Order S-3-05; (b) Sections 1900, 1961, and 1961.1 of Title 13 of the California Code of Regulations, in effect as of December 1, 2005; or (c) Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the*

*Public Utilities Code, in effect as of December 1, 2005. Research proposals that offer the greatest potential to meet or exceed the goals set forth in subdivisions (a) to (c), inclusive, shall receive the highest priority for funding, followed by those research proposals that offer the greatest potential to meet or exceed the targets and goals set forth in two of subdivisions (a) to (c), inclusive, followed by those proposals that offer the greatest potential to meet or exceed the targets and goals set forth in one of subdivisions (a) to (c), inclusive.*

*(5) Ensure that all funds to support buildings and permanent facilities pursuant to Section 26051 are committed during the first two years of the program, and that such expenditures, in the aggregate, do not exceed one hundred million dollars (\$100,000,000). The authority shall require all recipients of funding for facilities to pay all workers employed on the construction or modification of the facility the general prevailing rate of per diem wages for work of a similar character in the locality in which work on the facility is performed and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.*

*(6) Ensure that the expenditure is consistent with the two-year and ten-year strategic plans adopted by the authority.*

*26058. Standards for Commercialization Acceleration Account Expenditures.*

*(a) The authority shall make expenditures pursuant to Section 26052 consistent with the goal of accelerating the commercialization of economically viable, innovative renewable energy technologies, energy efficiency technologies, clean alternative fuels, and clean alternative fuel vehicles in California within 10 years of the effective date of this Act, by providing funding for the one-time or start-up costs of introducing renewable energy technologies, energy efficiency technologies, clean alternative fuels, and clean alternative fuel vehicles including, but not limited to, the certification of products, vehicles, and distribution systems, and for other costs that will accelerate the production and distribution of commercially viable products and technologies to the market. Prior to making any expenditures pursuant to Section 26052, the authority shall adopt a strategic plan pursuant to subdivision (a) of Section 26045.*

*(b) All expenditures made pursuant to Section 26052 shall be based upon a competitive selection process, established pursuant to subdivision (b) of Section 26045. Pursuant to the competitive selection process, the authority shall, at a minimum:*

*(1) Ensure that the expenditure will advance the goal of commercializing economically viable renewable energy technologies, energy efficiency technologies, clean alternative fuels, or clean alternative fuel vehicles in California.*

*(2) Evaluate the potential that the expenditure will achieve significant results, including how the expenditure will aid or result in bringing commercially viable renewable energy technologies, energy efficiency technologies, clean alternative fuels, or clean alternative fuel vehicles to the market in California, within a reasonable time frame from the date of the expenditure.*

*(3) Establish that it is reasonably likely that a significant share of the finished technology or product for which the funds are allocated will be available to, or will be deployed in, California or that a significant share of all components used in the finished technology or product will be manufactured in California.*

(4) Evaluate the cost, adjusted for time value, of energy developed or saved by the proposal relative to its ability to advance the objectives of the Commercialization Acceleration Account.

(5) Evaluate the probability that the proposal will result in a sustained, unsubsidized market-competitive technology or technologies that can achieve substantial consumer or business acceptance.

(6) Ensure that the expenditure is consistent with the two-year and ten-year strategic plans adopted by the authority.

(c) All expenditures from the Commercialization Acceleration Account require the recipient of the expenditure to provide matching funds equal to at least 50 percent of the expenditure, except that in the case of loans and loan guarantees, the recipient may provide equity or subordinated debt equal to at least 25 percent of the loan or loan guarantee. This constraint will not be applicable to the distribution for a clean alternative fuel equal to approximately the first 15 percent of the distribution of the gasoline distribution system.

(d) Any funds that remain in the account after 10 years shall be divided equally between the Gasoline and Diesel Use Reduction Account and the Research and Innovation Acceleration Account.

26059. Standards for Vocational Training Account Expenditures.

(a) The authority shall make expenditures pursuant to Section 26053 consistent with the goal of training students to work with renewable energy technologies, such as solar, geothermal, wind, and wave technologies, or energy efficiency technologies, in buildings, equipment, electricity generation, clean alternative fuels, and clean alternative fuel vehicles. Prior to making any expenditures pursuant to Section 26053, the authority shall adopt a strategic plan pursuant to subdivision (a) of Section 26045.

(b) All expenditures made pursuant to Section 26053 shall be based upon a competitive selection process, established pursuant to subdivision (b) of Section 26045. Pursuant to the competitive selection process, the authority shall, at a minimum:

(1) Ensure that the expenditure is for training in renewable energy technologies, energy efficiency technologies, clean alternative fuels, or clean alternative fuel vehicles.

(2) Ensure that the expenditure does not supplant existing state funding for training in renewable energy technologies, energy efficiency technologies, clean alternative fuels, or clean alternative fuel vehicles.

(3) Evaluate the quality of the program, the potential for achieving significant results, including consideration of how the expenditure will aid or result in training workers in renewable energy technologies, energy efficiency technologies, clean alternative fuels, or clean alternative fuel vehicles in California, and the time frame for achieving that goal.

(4) Ensure that the expenditure is consistent with the two-year and ten-year strategic plans adopted by the authority.

26060. Standards for Public Education and Administration Account Expenditures.

(a) The authority shall make expenditures pursuant to Section 26054 consistent with the goal of educating the public regarding the importance of energy efficiency technologies, renewable energy technologies, and full life-cycle petroleum reduction, and reporting on the progress of the program, and of efficiently administering the authority.



*(b) At least 28.5 percent of the funds in the Public Education and Administration Account shall be expended for the purpose of public education regarding funded technologies.*

*Article 5. Accountability*

*26061. (a) In addition to the report required by Section 26017, the authority shall issue an annual report to the Governor, the Legislature, and the public which sets forth its activities, its accomplishments, and future program directions. Each annual report shall include, but not be limited to, the following: the number and dollar amounts of incentives including, but not limited to, grants, loans, loan guarantees, credits, and buydowns; the recipients of incentives for the prior year; the authority's administrative expenses; a summary of research findings, including promising new research areas and technological innovations; and an assessment of the relationship between the authority's award of incentives and the authority's strategic plan.*

*(b) The authority shall annually commission an independent financial audit of its activities from a certified public accountant which shall be provided to the Controller, who shall review the audit and annually issue a public report of that review.*

*(c) There shall be a Citizens' Financial Accountability Oversight Committee chaired by the Controller. This committee shall review the annual financial audit and the Controller's report and evaluation of that audit. The Controller, the Treasurer, the President pro Tempore of the Senate, the Speaker of the Assembly, and the chairperson of the authority shall each appoint a public member of the committee. The committee shall provide recommendations regarding the authority's financial practices and performance. The Controller shall provide staff support. The committee shall hold a public meeting, with appropriate notice, and a formal public comment period. The committee shall evaluate public comments and include appropriate summaries in its annual report.*

*SEC. 18. Part 21 (commencing with Section 42000) is added to Division 2 of the Revenue and Taxation Code, to read:*

*PART 21. CALIFORNIA ENERGY INDEPENDENCE FUND  
ASSESSMENT LAW*

*42000. This part shall be known and may be cited as the "California Energy Independence Fund Assessment Law."*

*42001. For purposes of this part, the following definitions shall apply:*

*(a) "Authority" means the California Energy Alternatives Program Authority, which is established in Division 16 (commencing with Section 26000) of the Public Resources Code.*

*(b) "Barrel of oil" means 42 United States gallons or 231 cubic inches per gallon computed at a temperature of 60 degrees Fahrenheit.*

*(c) "Board" means the State Board of Equalization.*

*(d) "Consumer" means an individual, firm, partnership, association, or corporation who buys for his, her, or its own use, or for the use of another, but not for resale.*

*(e) "First purchaser" means a person who purchases oil from a producer.*

*(f) "Gross value" means the sale price at the mouth of the well for oil, including any bonus, premium, or other thing in value paid for the oil. If oil is exchanged for something other than cash, or if there is no sale at the time of severance, or if the relation between the buyer and the seller is such that the consideration paid, if any, is not indicative of the true value or market price,*

*then the board shall determine the value of the oil subject to the fee, based on the cash price paid to producers for like oil in the vicinity of the well.*

*(g) "Oil" means petroleum, or other crude oil, condensate, casing head gasoline, or other mineral oil that is mined, produced, or withdrawn from below the surface of the soil or water in this state.*

*(h) "Producer" means any person who takes oil from the earth or water in this state in any manner; any person who owns, controls, manages, or leases any oil well in the earth or water of this state; any person who produces or extracts in any manner any oil by taking it from the earth or water in this state; any person who acquires the severed oil from a person or agency exempt from property taxation under the Constitution or other laws of the United States or under the Constitution or other laws of the State of California; and any person who owns an interest, including a royalty interest, in oil or its value, whether the oil is produced by the person owning the interest or by another on his or her behalf by lease, contract, or other arrangement.*

*(i) "Production" means the total gross amount of oil produced, including the gross amount thereof attributable to a royalty or other interest.*

*(j) "Severed" or "severing" means the extraction or withdrawing from below the surface of the earth or water of any oil, whether extraction or withdrawal shall be by natural flow, mechanical flow, forced flow, pumping, or any other means employed to get the oil from below the surface of the earth or water and shall include the withdrawing by any means whatsoever of oil upon which the assessment has not been paid, from any surface reservoir, natural or artificial, or from a water surface.*

*(k) "Stripper well" means a well that has been certified by the board as an oil well incapable of producing an average of more than ten barrels of oil per day during the entire taxable month. Once a well has been certified as a stripper well, such stripper well shall remain certified as a stripper well until the well produces an average of more than 10 barrels of oil per day during an entire taxable month.*

*42002. Effective January 1, 2007, and except as provided for in Section 42007, there is hereby imposed the California Energy Independence Fund Assessment upon the privilege of severing oil from the earth or water in this state for sale, transport, consumption, storage, profit, or use. The assessment shall be borne ratably by all persons within the term "producer" as that term is defined in subdivision (h) of Section 42001. The fee shall be applied to all portions of the gross value of each barrel of oil severed as follows:*

*(a) One and one-half percent (1.5%) of the gross value of oil from \$10 to \$25 per barrel.*

*(b) Three percent (3.0%) of the gross value of oil from \$25.01 to \$40 per barrel.*

*(c) Four and one-half percent (4.5%) of the gross value of oil from \$40.01 to \$60 per barrel.*

*(d) Six percent (6.0%) of the gross value of oil from \$60.01 per barrel and above.*

*42003. Except as otherwise provided in this part, the assessment shall be upon the entire production in this state, regardless of the place of sale or to whom sold or by whom used, or the fact that the delivery may be made to points outside the state.*

*42004. (a) Producers or purchasers of oil, or both, are authorized and required to withhold from any payment due interested parties the proportionate amount of the assessment due.*



*(b) The assessment imposed by this part is the primary liability of the producer and is a liability of the first purchaser and each subsequent purchaser. Failure of the producer to pay the assessment does not relieve the first purchaser or a subsequent purchaser from liability for the assessment. A purchaser of oil produced in this state shall satisfy himself or herself that the assessment on that oil has been or will be paid by the person liable for the assessment.*

*(c) The assessment imposed by this part shall not be passed on to consumers through higher prices for oil, gasoline, or diesel fuel. At the request of the authority, the board shall investigate whether a producer, first purchaser, or subsequent purchaser has attempted to gouge consumers by using the assessment as a pretext to materially raise the price of oil, gasoline, or diesel fuel.*

*42005. The assessment imposed by this part shall be in addition to any ad valorem taxes imposed by the state, or any of its political subdivisions, or any local business license taxes which may be incurred as a privilege of severing oil from the earth or doing business in that locality. No equipment, material, or property shall be exempt from payment of ad valorem tax by reason of the payment of the gross tax pursuant to this part.*

*42006. Two or more producers that are corporations and are commonly owned or controlled directly or indirectly, as defined in Section 25105, by the same interests, shall be considered as a single producer for purposes of application of the assessment prescribed by this part.*

*42007. The California Energy Independence Fund Assessment imposed pursuant to this part does not apply to:*

*(a) Oil owned or produced by any political subdivision of the state, including that political subdivision's proprietary share of oil produced under any unit, cooperative, or other pooling agreement.*

*(b) Oil produced by a stripper well in any month in which the average value of oil is less than \$50 per barrel. If in any month the average value of oil is \$50.01 or more per barrel, a stripper well shall be subject to a fee in the amount of 3 percent of the gross value of oil above \$50.01.*

*42008. The assessment imposed by this part shall be due and payable to the board on a monthly basis. The board has broad discretion in administering this part and may prescribe the manner in which all payments are made to the state under this part, and the board may prescribe the forms and reporting requirements as necessary to implement the assessment, including, but not limited to, information regarding the location of the well by county, the gross amount of oil produced, the price paid therefor, the prevailing market price of oil, and the amount of assessment due. The board may employ auditors, investigators, engineers, and other persons to engage in all activities necessary for the implementation of this part, including to verify reports and investigate the affairs of producers and purchasers to determine whether the assessment imposed by this part is properly reported and paid. In all proceedings under this part, the board may act on behalf of the people of the State of California.*

*42009. The board shall enforce the provisions of this part and may prescribe, adopt, and enforce rules and regulations, including, but not limited to, the payment of interest, the imposition of penalties, and any other action permitted by Sections 6451 to 7176, inclusive, or Sections 38401 to 38901, inclusive, whichever are most applicable as determined by the board, relating to the application, administration, and enforcement of this part.*

*42010. (a) All assessments, interest, penalties, and other amounts collected pursuant to this part shall be deposited in the California Energy Independence*

*Fund, which is established by Article XXXVI of the California Constitution. Before allocating funds pursuant to subdivision (a) or (b) of Section 26049 of the Public Resources Code, the authority shall reimburse the board for expenses incurred in the administration and collection of the assessment imposed by this part. The board shall transfer moneys received from the aforementioned sources to the California Energy Independence Fund at least once per calendar month.*

*(b) This part shall become inoperative after the authority has expended four billion dollars (\$4,000,000,000) pursuant to subdivision (d) of Section 26045 of the Public Resources Code and after all indebtedness associated with the Clean Alternative Energy Act, including principal, interest, ancillary obligations, and other costs of any bonds issued pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code, secured by a pledge of the assessment created by this part, has been paid or payment has been provided for, unless a later enacted statute, that becomes operative on or before the date this part becomes inoperative, deletes or extends the date on which it becomes inoperative. Notwithstanding the foregoing, so long as any bonds or other obligations secured by the assessment created by this part remain outstanding, neither the Legislature nor the people may reduce or eliminate the assessment, and this pledge may be included in the proceedings of any such bonds as a covenant with the holders of such bonds.*

**SEC. 19. LEGAL CHALLENGE**

Any challenge to the validity of this Act must be filed within six months of the effective date of this Act.

**SEC. 20. AMENDMENT**

The statutory provisions of this Act may be amended to carry out its purpose and intent by statutes approved by a two-thirds vote of each house of the Legislature and signed by the Governor.

**SEC. 21. SEVERABILITY**

If any provision of this Act or the application thereof to any person or circumstances is held invalid, including subdivision (c) of Section 42004 of the Revenue and Taxation Code and subdivision (c) of Section 26054 of the Public Resources Code, that invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**SEC. 22. CONFLICTING INITIATIVES**

In the event that this measure and another initiative measure or measures that impose an assessment, royalty, tax, or fee on the extraction of oil or that involve petroleum reduction 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 receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure shall be null and void.

Number  
on ballot

**88. Education Funding. Real Property Parcel Tax.**

[Submitted by the initiative and rejected by electors November 7, 2006.]

**PROPOSED LAW**

**SECTION 1. Title**

This measure shall be known and may be cited as the Classroom Learning and Accountability Act.

**SEC. 2. Findings and Declaration of Purpose**

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

(a) California students are falling behind, ranking among the bottom six states in reading and math. In the nation's five biggest states, only California students score below average on every national assessment of educational progress.

(b) Independent research indicates that California's poor student achievement is caused, in part, by inadequate resources for public education, including low funding levels, high class sizes, inadequate facilities, and students with relatively greater needs. Education funding in California is chronically below the national average, even though California students are expected to meet some of the highest academic standards in the country.

(c) California's economic and social prosperity depend on a well-educated workforce capable of competing in a global economy.

(d) In order to improve student achievement, new investment is needed to reduce class sizes, provide textbooks and other instructional materials, improve campus safety, and provide facilities for high-quality public charter schools with greater parental and community involvement.

(e) A parcel assessment for public schools will raise needed funds for student achievement, while protecting property owners against runaway taxes—especially seniors with fixed incomes. Parcel assessments have been approved by voters in dozens of California communities, and they are consistent with Proposition 13 of 1978.

(f) New funding for public education must come with safeguards against waste and mismanagement. The entirety of the Classroom Learning and Accountability Fund will be subject to oversight and annual independent audits. Annual audits will ensure that every penny goes into classrooms and student learning, where it is needed most.

(g) The Legislature is expressly prohibited from using money from the Fund to supplant other funding or redirect money to other, less critical needs. This act specifies that the Fund shall not be used to pay administrative overhead. Misuse of funds will result in criminal penalties, loss of credentials, and/or fines.

(h) Money from the Fund will be used to collect information that will evaluate the effectiveness of specific educational programs and investments. Schools, researchers, and other agencies will be better able to analyze the link between specific investments and the impact on student achievement.

(i) Homeowners 65 years of age or older are fully exempted from the provisions of this act. Senior citizens will not be burdened by the creation of the Fund.

(j) This act pays for itself. The Fund will improve education without affecting any state services or programs currently supported by the state General Fund.

Therefore, the People of the State of California hereby adopt the Classroom Learning and Accountability Act.

SEC. 3. Section 6.2 is added to Article IX of the Constitution of the State of California, to read:

*SEC. 6.2. (a) The Classroom Learning and Accountability Fund is hereby created in the State Treasury to be held in trust for the purposes set forth below and is continuously appropriated for the support of kindergarten through 12th grade educational programs.*

*(b) Classroom Learning and Accountability Funds shall not be used to pay for administrative overhead and shall be used for the following educational purposes only:*

*(1) One hundred seventy-five million dollars (\$175,000,000) to reduce class sizes in kindergarten and grades 1 to 12, inclusive.*

*(2) One hundred million dollars (\$100,000,000) for textbooks and other instructional materials approved by the State Board of Education as consistent with the state curriculum frameworks and academically rigorous content standards.*

*(3) One hundred million dollars (\$100,000,000) to enhance the safety and security of pupils, teachers, and school staff through school community policing, gang-risk intervention, afterschool and intersession student support and development, and school community violence prevention.*

*(4) Eighty-five million dollars (\$85,000,000) for academic success facility grants to any qualifying school district which has not received funding from the proceeds of a state general obligation bond for school construction or modernization. A school district receiving an academic success facility grant shall not be eligible for funding from the proceeds of a state general obligation bond for school construction or modernization unless the law authorizing the bond and approved by a vote of the people expressly provides that eligibility.*

*(5) Ten million dollars (\$10,000,000) for an integrated longitudinal teacher and pupil achievement data system that provides a better means of evaluating the efficiency and effectiveness of educational programs and investments.*

*(c) The amounts deposited in the Classroom Learning and Accountability Fund shall be used exclusively for the purposes set forth in this section. All moneys in the Classroom Learning and Accountability Fund shall be used to supplement and not supplant federal, state, or local funds used for educational programs. The Legislature shall set penalties, including loss of credentials and/or fines, for school districts, county offices of education, public charter schools, and any administrator that misuses funds appropriated and allocated pursuant to this section.*

*(d) Funds appropriated pursuant to paragraphs (1) to (3), inclusive, of subdivision (b) shall be apportioned directly to school districts, county offices of education, and public charter schools on a per-pupil basis. Using variables and data that are objective, measurable, and auditable, the Legislature shall weight the per-pupil allocation to account for differential pupil-level costs associated with achieving state and federal achievement standards based on disabilities, English proficiency, or socioeconomic status.*

*(e) The allocation of funds under subdivision (b) shall be adjusted annually on a proportional basis to reflect actual revenues received and interest earned.*

*(f) None of the provisions of this section shall alter or affect any right to equal protection provided by this Constitution.*

SEC. 4. Section 21.5 is added to Article XIII A of the Constitution of the State of California, to read:

*SEC. 21.5. (a) An assessment of fifty dollars (\$50) shall be levied on each real property parcel that is not otherwise exempt from property taxation pursuant to this Article. The assessment shall be collected annually at the same time and in the same manner as the ad valorem property tax.*

*(b) A parcel shall be exempt from the assessment described in this section if the owner of the parcel (1) resides on the parcel, (2) is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII, and (3) is either a person 65 years of age or older, or is a severely and permanently disabled person as that term is defined by the Revenue and Taxation Code.*

*(c) For purposes of this section, "parcel" means any unit of real property in the State that receives a separate tax bill for ad valorem property taxes. Any property that is otherwise exempt from, or on which is levied, no ad valorem property taxes in any year shall also be exempt from the parcel tax levied by this section in that year.*

*(d) Each fiscal year, the revenue generated by the assessment described in this section shall be calculated and transferred as follows:*

*(1) No more than two tenths of one percent (.002) shall be appropriated to counties for the purpose of defraying the costs incurred in implementing this section.*

*(2) The amount necessary to offset any decrease in state personal and corporate income tax revenues caused by increased deductions taken as a result of the assessments described by this section shall be transferred to the state General Fund.*

*(3) After the transfer of the amounts calculated in paragraphs (1) and (2), the remainder, including any interest earned thereon, shall be transferred to the Classroom Learning and Accountability Fund established by Section 6.2 of Article IX.*

SEC. 5. Section 14 is added to Article XIII B of the Constitution of the State of California, to read:

*SEC. 14. (a) "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the Classroom Learning and Accountability Fund established by Section 6.2 of Article IX. 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 Classroom Learning and Accountability Fund.*

*(b) For purposes of this article, "proceeds of taxes" shall not include the revenues derived from the taxes imposed pursuant to Section 21.5 of Article XIII A, but shall include those revenues described in paragraph (2) of subdivision (d) of Section 21.5 of Article XIII A.*

SEC. 6. Section 8.3 is added to Article XVI of the Constitution of the State of California, to read:

*SEC. 8.3. (a) With the exception of the revenue described in paragraph (2) of subdivision (d) of Section 21.5 of Article XIII A, revenues derived from the taxes imposed by Section 21.5 of Article XIII A shall not be deemed to be "General Fund revenues which may be appropriated pursuant to Article XIII B" as that phrase is used in paragraph (1) of subdivision (b) of Section 8 nor shall they be considered in the determination of "per capita General Fund revenues" as that term is used in paragraph (3) of subdivision (b) and in subdivision (e) of Section 8.*

*(b) Funds appropriated pursuant to Section 6.2 of Article IX shall not be deemed to be part of “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as that phrase is used in paragraphs (2) and (3) of subdivision (b) of Section 8.*

SEC. 7. Section 14003 is added to the Education Code, to read:

*14003. No moneys distributed from the Classroom Learning and Accountability Fund shall be included in calculating and apportioning funds as provided in Section 2558, 42238, or 56836.08. Nor shall moneys distributed from the Classroom Learning and Accountability Fund be included in a school district’s expenditures pursuant to Section 33128. With the exception of funds for academic success facility grants described in Section 52057.1, the Controller shall distribute the revenues in the Classroom Learning and Accountability Fund at least twice during the fiscal year.*

SEC. 8. Section 41020.4 is added to the Education Code, to read:

*41020.4. Each fiscal year, every school district shall provide for an annual independent audit of the moneys received from the Classroom Learning and Accountability Fund. The audit may be prepared as part of any annual audit already required, but it shall show how moneys received from the Classroom Learning and Accountability Fund were spent by category and program. The audit shall be reviewed by the applicable county superintendent of schools and the Superintendent of Public Instruction who shall, along with the school district, post the audit reports on their web sites.*

SEC. 9. Section 52057.1 is added to the Education Code, to read:

*52057.1. (a) It is the intent of this section that facility grants for school districts be directed towards all eligible schools, including charter schools. Therefore, funds for academic success facility grants appropriated pursuant to paragraph (4) of subdivision (b) of Section 6.2 of Article IX of the California Constitution shall be apportioned directly to qualifying school districts as defined by this section.*

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

*(1) A “qualifying school district” is an academically successful eligible charter school or a school district with one or more academically successful schools other than eligible charter schools. Neither a school district that is formed pursuant to Chapters 3 (commencing with Section 35500) or Chapter 4 (commencing with Section 35700) of Part 21, and whose former districts received funding from the proceeds of a state general obligation bond for school construction or modernization, nor a county office of education is a “qualifying school district.”*

*(2) An “academically successful school” is a school ranked in deciles 6 to 10, inclusive, on the Academic Performance Index when compared to similar schools as reported for the prior academic year by the State Board of Education.*

*(3) An “eligible charter school” is a charter school operated and governed by or as a nonprofit public benefit corporation, formed and organized pursuant to the applicable nonprofit public benefit corporation law, where the majority of the certificated teachers at the school are employees of the nonprofit corporation.*

*(c) Academic success facility grants shall be distributed to qualifying school districts at the time of the second principal apportionment in the form of general purpose funding. Subject to subdivision (d), academic success facility grants shall be five hundred dollars (\$500) per pupil and shall be awarded on a per-pupil basis for each pupil enrolled in an academically successful school, provided,*



*however, that pupils in academically successful eligible charter schools shall not be counted in calculating the amount of any academic success facility grant that is distributed to a school district.*

*(d) Notwithstanding subdivision (c), if at the time of the second principal apportionment there are insufficient moneys in that portion of the Classroom Learning and Accountability Fund described by paragraph (4) of subdivision (6) of Section 6.2 of Article IX of the California Constitution to provide for the per-pupil allocation specified in subdivision (c), the per-pupil allocation shall be adjusted on a proportional basis to ensure that all qualifying school districts receive an academic success facility grant in an equal amount per pupil.*

*(e) Any moneys remaining in that portion of the Classroom Learning and Accountability Fund described by paragraph (4) of subdivision (b) of Section 6.2 of Article IX of the California Constitution after apportionment of funds for academic success facility grants as required by this section shall remain in the Classroom Learning and Accountability Fund and shall be available for distribution to qualifying school districts in the following year.*

SEC. 10. Section 60901 is added to the Education Code, to read:

*60901. Each school district shall participate in the collection and reporting of data necessary for the creation and maintenance of the state's integrated longitudinal teacher and pupil data system as defined by the Legislature and described in paragraph (5) of subdivision (b) of Section 6.2 of Article IX of the California Constitution.*

SEC. 11. Section 13340 of the Government Code is amended to read:

13340. (a) Except as provided in subdivision (b), on and after July 1, 2007, 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, 2007.

(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).

*(6) Moneys that are deposited in the Classroom Learning and Accountability Fund.*

SEC. 12. Severability

The provisions of this measure are severable. If any provision of this measure 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. 13. Amendment

This act shall be broadly construed to accomplish its purposes. Any of the statutory provisions of this act may be amended by a bill that complies with the single-subject rule expressed in Section 9 of Article IV of the California Constitution, and that is passed by a two-thirds vote of the Legislature and signed by the Governor, so long as the amendments are consistent with and further the intent of this act.

SEC. 14. Effective Date

This initiative shall go into effect on July 1, 2007.

**INITIATIVE STATUTE**

Number  
on ballot

89. **Political Campaigns. Public Financing. Corporate Tax Increase. Campaign Contribution and Expenditure Limits.**

[Submitted by the initiative and rejected by electors November 7, 2006.]

**PROPOSED LAW**

CALIFORNIA NURSES CLEAN MONEY  
AND FAIR ELECTIONS ACT OF 2006

SECTION 1. Chapter 12 (commencing with Section 91015) is added to Title 9 of the Government Code, to read:

*CHAPTER 12. CALIFORNIA CLEAN MONEY AND FAIR ELECTIONS ACT OF 2006*

*Article 1. General*

*91015. This chapter shall be known and may be cited as the California Clean Money and Fair Elections Act of 2006.*

*91017. The people find and declare all of the following:*

*(a) The constitutional system of popular governance of the State of California is in serious jeopardy. The health of the state's democracy has been undermined by the state's campaign finance rules. Current regulation of campaign finance practices in California is insufficient. Nearly 60 percent of Californians have expressed their concern that California's campaign finance system needs major changes.*

*(b) The increasing costs of political campaigns have forced candidates to raise a larger percentage of their campaign funds from special interests that have a specific financial or commercial stake in the outcome of the elections.*

*(c) Unlimited corporate-funded election-related spending and unlimited contributions to ballot measure and general purpose committees controlled by California elected officials and candidates are leading to corruption, or the appearance of corruption, of the election process, have produced corrosive and distorting effects on the electoral process, and have created a loss of public confidence in the fairness of the electoral process.*

*(d) Corruption and the appearance of corruption is a major problem in California politics.*

*Large campaign contributors and spenders are able to buy access to California's elected officials, thereby unduly influencing the legislative and executive agenda and policy choices. At the very least, there is a troublesome*

appearance of corruption when, for example, the Governor sponsors a \$500,000 per plate dinner with bond traders to raise funds supporting a bond-related ballot measure. Californians fear that in some instances large contributions are given to secure a political quid pro quo from current and potential officeholders.

(e) The current campaign finance system burdens candidates with the incessant rigors of fundraising and thus decreases the time available to carry out their public responsibilities.

(f) The current campaign finance system diminishes the free speech rights of a majority of voters and candidates whose voices are drowned out by corporations with unlimited funds to expend for monopolizing the arena of paid political communications to further their own private commercial interests.

(g) The current campaign finance system fuels the public perception of corruption at worst and conflict of interest at best and undermines public confidence in the democratic process and democratic institutions.

(h) The ever-increasing costs of political campaigns in competitive races force most candidates to raise larger and larger percentages of their campaign funds from interest groups that have a specific financial stake in the outcome of the elections and in matters before our state government.

(i) Existing term limits place a greater demand on fundraising for the next election even for elected officials in safe seats.

(j) The rapidly increasing amounts of independent expenditures point to a growing trend of special interest groups to fund independent expenditures in an effort to skirt the contribution laws.

(k) The current campaign finance system undermines the First Amendment right of voters and candidates to be heard in the political process, undermines the First Amendment right of voters to hear all candidates' speech, and undermines the core First Amendment value of open and robust debate in the political process.

(l) The number of candidates and issues attracting campaign contributions varies widely among candidate races. The costs in some election races are minimal while others draw expenditures in excess of one million dollars (\$1,000,000). This act addresses the range of competitive election races by providing smaller amounts of public funds in noncompetitive races and much larger amounts in competitive contests. As a result, the act saves the taxpayers of California from unnecessarily expending large amounts of public funds.

(m) In states where the clean money and clean election laws have been enacted and used, election results show that more individuals, especially women and minorities, run as candidates; voter turnout increases and overall campaign costs decrease.

(n) The current campaign finance system creates a danger of actual corruption by encouraging elected officials to take funds from private interests that are directly affected by governmental actions.

(o) Under the state's current campaign finance rules, contributors may secure that political quid pro quo by making unlimited contributions to ballot measure and general purpose committees controlled, formally or informally, by candidates and state elected officials. More than \$84 million has poured into these committees since 1990, much of it from large corporate contributors, from those with important business with the state, and from wealthy contributors whose financial interests are affected by state decisions.

(p) Powerful corporate and commercial interests have transformed initiative and referendum campaigns into a new arena for gaining commercial advantage

*and exploiting business opportunities at the expense of the public interest and welfare. Hundreds of millions of dollars are spent by corporate business interests in the initiative and referendum process to advance private, self-interested business plans, deregulate legal protections preserving the public health and welfare, and disable governmental institutions and programs essential to popular governance in the interests of the people. Established by the voters in 1911 as a means of curtailing the political influence of corporate interests, the initiative process now primarily serves corporate and commercial interests.*

*(q) Candidate elections and ballot measure elections in California are intertwined, not separate events. California state candidates, officeholders, and political parties often endorse, oppose, and actively campaign for and against ballot measures, and use those measures as part of an overall electoral strategy. Thus, the potential for candidate corruption and the appearance of corruption exists in all ballot measure campaigns in California.*

*(r) Campaign-related spending by business corporations is especially corrupting because of its corrosive and distorting effects. The immense aggregations of wealth that are accumulated with the help of the corporate form have little or no correlation to the public's support for the corporation's political ideas, and corporations should not be allowed to exert an undue influence on the outcome of candidate and ballot measure elections. Nearly 80 percent of Californians have complained that business corporations have too much influence on candidate elections and ballot initiatives.*

*(s) California's existing campaign finance rules that permit unchecked corporate spending are also undermining the public's confidence in the election process. A majority of Californians believe that campaign contributions are having a negative effect on the public policy made by state officials in Sacramento. Nearly 8 in 10 California voters say that their state government is run by a few big interests, and 92 percent of California voters believe the initiative process is controlled "some" or "a lot" by special interests.*

*(t) Corporate spending in the election process exerts an undue influence on the outcome of the vote, and—in the end—destroys the confidence of the people in the democratic process and in the integrity of government. Corporate advocacy threatens imminently to undermine democratic processes, thereby denigrating rather than serving First Amendment interests. However, contributions or expenditures by certain nonprofit organizations do not present these same dangers.*

*(u) Of particular concern are social science studies proving that large spending by corporations in ballot measure campaigns is very successful in blocking ballot measures that are otherwise popularly supported by the voters.*

*(v) Limits on corporate election-related spending and on contributions to candidate-controlled ballot measure committees do not violate the First Amendment. The Supreme Court has recognized that restrictions on direct corporate contributions and expenditures are constitutional when necessary to preserve voter confidence in the election process, to prevent candidate corruption or the appearance of corruption, or to prevent the distorting effect of corporate campaign contributions and expenditures. The Supreme Court has also recently recognized that corporate contributions are furthest from the core of political expression, since corporations' First Amendment speech and association interests are derived largely from those of their members and of the public in receiving information. Limits on direct corporate contributions leave individual officers, employees, and members of corporations free to make their own political contributions, and therefore deprive the public of little or no*

*material information. The same rationale applies to restrictions on corporate political expenditures.*

*(w) Experience in the federal election process regarding the emergence of “sham issue advocacy” leads California voters to anticipate that corporations will attempt to circumvent any new limits on corporate express advocacy in candidate and ballot measure elections through the use of campaign advertising that avoids the “magic words” of express advocacy. A bright-line “electioneering communications” provision is therefore necessary to prevent corporations from exploiting a loophole in the law that would allow unlimited corporate spending on election-related campaign advertising.*

*(x) California’s initiative process was established to enable individual citizens to join together to act as lawmakers when elected officials are too beholden to corporate interests to take action on matters of public safety and necessity. Thus the initiative process was intended to provide citizens with a collective opportunity to make their views known and voices heard, so as to engage in self-government, when the views of corporate interests predominate in the Legislature. Corporations are not humans; they are creatures of the state that are licensed upon agreement to comply with the norms of conduct imposed upon them, in exchange for which they are accorded the right to do business in the state and numerous other privileges.*

*(y) Through the use of money, corporations have come to exercise enormous influence, and often outright control, over the actions of the executive and legislative branches in California. Money from various corporate interests has effectively paralyzed the Legislature from enacting laws that would protect the public. Similarly, through their use of their financial resources, corporations now overwhelmingly dominate the initiative process, either to prevent citizens from effectively exercising their right to promote ballot initiatives, or to enact legislation that the Legislature, paralyzed by competing special interests, will not enact. Indeed, business corporations now routinely employ “counter initiatives” designed not to pass the measures themselves, but to discourage voters from supporting or even voting upon citizen-sponsored ballot measures that the corporations oppose. Finally, elected officials and candidates for public office have begun to utilize the initiative process to both solicit funds from corporations whose financial interests would be served by proposed initiative legislation, and to escape the more stringent rules governing contributions to candidates for public office.*

*91019. The people enact this chapter to accomplish the following purposes:*

*(a) To reduce the influence of large contributions on the decisions made by state government.*

*(b) To remove wealth as a major factor affecting whether an individual chooses to become a candidate.*

*(c) To provide a greater diversity of candidates to participate in the electoral process.*

*(d) To reverse the escalating cost of elections that have increased far beyond the rate of inflation.*

*(e) To permit candidates to pursue policy issues instead of being preoccupied with fundraising and allow officeholders to spend more time carrying out their public duties.*

*(f) To diminish the danger of actual corruption and the public perception of corruption and strengthen public confidence in the governmental and election processes.*

(g) *To ensure that independent expenditures are not used to evade contribution limits.*

(h) *To foster more equal and meaningful participation in the political process.*

(i) *To provide candidates who participate in the Clean Money program with sufficient resources with which to communicate with voters.*

(j) *To increase the accountability of each elected official to the constituents who elect him or her, as opposed to the contributors who fund his or her campaigns.*

(k) *To provide voters with timely information regarding the sources of campaign contributions, expenditures, and political advertising.*

(l) *To prevent corruption, the appearance of corruption, and a decline in voter confidence in the integrity of the electoral and political process by imposing reasonable limits on contributions made to ballot measure committees controlled formally or informally by candidates.*

(m) *To prevent the distorting effect of campaign contributions and expenditures by business corporations, which threaten imminently to undermine the democratic process, and to restore the confidence of the people in the electoral process and in the integrity of government, by requiring that corporations desiring to engage in election-related spending in California do so through separate segregated funds that protect their First Amendment rights.*

(n) *To limit the opportunity for circumvention of important campaign finance rules enacted to avoid corruption, the appearance of corruption, distortion of the political process, and a decline in voter confidence by adopting reasonable restrictions governing electioneering communications, aggregate contribution limits, and inter-candidate and inter-committee transfers of campaign funds.*

#### *Article 2. Applicability to the Political Reform Act of 1974*

91023. *Unless specifically superseded by provisions of this chapter, the definitions and provisions of Chapters 1 to 11, inclusive, of this title (the Political Reform Act), shall govern the interpretation of this chapter.*

#### *Article 3. Definitions*

91025. *For purposes of the contribution limits of this chapter:*

(a) *The contributions of an entity whose contributions are directed and controlled by any individual shall be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.*

(b) *If two or more entities make contributions that are directed and controlled by a majority of the same persons, the contributions of those entities shall be aggregated.*

(c) *Contributions made by entities that are majority-owned by any person shall be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their decisions to make contributions.*

91027. *“Coordination” means a payment made for a communication or anything of value that is for the purpose of influencing the outcome of an election for elective state office and that is made by any one or more of the following methods:*

(a) *By a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to a particular understanding with, a candidate, a candidate’s controlled committee, or an agent acting on behalf of a candidate or a controlled committee.*

(b) *Based on specific information about the candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with a view toward having the payment made.*

(c) *By a person if, in the same primary or general election in which the payment is made, the person making the payment is serving as a member, employee, fundraiser, or agent of the candidate's controlled committee in an executive or policymaking position.*

91028. "District" means:

(a) *In the case of an election for the Legislature or the Board of Equalization, the numeric district in which the candidate is seeking office.*

(b) *In the case of an election for statewide elective office, the State of California.*

91029. "Entity" means any person other than an individual.

91031. "Excess expenditure amount" means the amount of funds spent or obligated to be spent by a nonparticipating candidate in excess of the Clean Money amount available to a participating candidate running for the same office. If a participating candidate has made the choice specified in subdivision (c) of Section 91097 in an election where there is more than one participating candidate, then the Clean Money amount available to the participating candidate shall be considered to be the actual amount paid by the Clean Money Fund to the candidate for that primary or general election period, including any increase or decrease effected by the choice.

91033. "Exploratory period" means the period beginning 18 months before the primary election and ending on the last day of the qualifying period. The exploratory period begins before, but extends to the end of, the qualifying period.

91035. "General election campaign period" means the period beginning the day after the primary election and ending on the day of the general election.

91037. "Independent candidate" means a candidate for elective state office who does not represent a political party that has been granted ballot status for the general election and who has qualified to be on the general election ballot.

91041. "Majority-owned" means an ownership of 50 percent or more.

91043. "Nonparticipating candidate" means a candidate for elective state office who is on the ballot but has chosen not to apply for Clean Money campaign funding and a candidate who is on the ballot and has applied but has not satisfied the requirements for receiving Clean Money funding.

91045. "Office-qualified party" means a party whose gubernatorial nominee has received 10 percent or more of the votes at the last election or whose candidate for the same elective state office in the same district, whether statewide or legislative, as the current candidate seeking Clean Money funding received 10 percent or more of the votes at the last election.

91046. "Office-qualified candidate" is a candidate seeking nomination for an elective state office from an office-qualified party.

91047. "One party dominant legislative district" is a district in which the number of registered voters for the party with the highest number of registered voters exceeds the number of registered voters for each of the other parties by an amount no less than 20 percent of the total number of registered voters in the district.

91047.5. "Paid Circulator," for the purpose of collecting qualifying contributions and as used in this chapter, means any person who is compensated with money or anything of value for collecting qualifying contributions. This



definition shall not include a full-time campaign staff member who spends no more than 20 percent of his or her time gathering qualifying contributions. "Compensation," for purposes of this chapter, means any economic consideration, including payments on the basis of the number of qualifying contributions gathered. "Compensation" does not include reimbursement of reasonable travel expenses such as expenses for transportation plus a reasonable sum for food and lodging.

91049. "Participating candidate" means a candidate for elective state office who qualifies for Clean Money campaign funding. These candidates are eligible to receive Clean Money funding during primary and general election campaign periods.

91051. "Party candidate" means a candidate for elective state office who represents a political party that has been granted ballot status and holds a primary election to choose its nominee for the general election.

91053. "Performance-qualified candidate" means a candidate for elective state office who has either won the primary nomination of an office-qualified party or shown a broad base of support by gathering twice the number of qualifying contributions as is required for an office-qualified candidate. Independent candidates may qualify for funding as performance-qualified candidates.

91054. "Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, or any other organization or group of persons acting in concert.

91055. "Petty cash" means cash amounts of one hundred dollars (\$100) or less per day that are not drawn on the Clean Money Debit Card and used to pay expenses of no more than twenty-five dollars (\$25) each.

91057. "Political party committee" means the state central committee or county central committee of an organization that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections Code.

91059. "Primary election campaign period" means the period beginning 120 days before the primary election and ending on the day the primary election results are certified for all candidates for the relevant elective state office.

91061. "Qualified candidate" means a candidate seeking nomination for an elective state office from a party that is not an office-qualified party.

91063. "Qualifying contribution" means a contribution of five dollars (\$5) that is received during the designated qualifying period by a candidate for elective state office seeking to become eligible for Clean Money campaign funding from a legal resident of the district in which the candidate is running for office.

91065. "Qualifying period" means the period during which candidates for elective state office are permitted to collect qualifying contributions in order to qualify for Clean Money funding. It begins 270 days before the primary election and ends 90 days before the day of the primary election for qualified party candidates and begins any time after January 1 of the election year and lasts 180 days but in no event ending later than 90 days before the general election for performance-qualified candidates who are running as independent candidates.

91067. "Seed money contribution" means a contribution of no more than one hundred dollars (\$100) made by a legal resident of California during the exploratory period.

91069. "Small contributor committee" means any committee that meets all of the following criteria:



- (a) *The committee has been in existence for at least six months.*
- (b) *The committee has received contributions from 100 or more persons.*
- (c) *No person has contributed to the committee more than two hundred dollars (\$200) per calendar year.*
- (d) *The committee makes contributions to five or more candidates for elective state office.*
- (e) *The committee is not a candidate-controlled committee pursuant to Section 82016.*

#### *Article 4. Clean Money*

91071. (a) *An office-qualified candidate for elective state office qualifies as a participating candidate for the primary election campaign period if the following requirements are met:*

(1) *The candidate files a declaration with the Commission that the candidate has complied and will comply with all of the requirements of this act, including the requirement that during the exploratory period and the qualifying period the candidate not accept or spend private contributions from any source other than seed money contributions, Clean Money funds, and political party funds as specified in Section 91123.*

(2) *The candidate meets the following qualifying contribution requirements before the close of the qualifying period:*

(A) *The office-qualified party candidate collects at least the following number of qualifying contributions:*

(i) *Seven hundred fifty qualifying contributions for a candidate running for the office of Member of the Assembly.*

(ii) *One thousand five hundred qualifying contributions for a candidate running for the office of Member of the State Senate.*

(iii) *Two thousand qualifying contributions for a candidate running for the office of member of the State Board of Equalization.*

(iv) *Seven thousand five hundred qualifying contributions for a candidate running for any statewide office other than Governor.*

(v) *Twenty-five thousand qualifying contributions for a candidate running for the office of Governor.*

(B) *No individual legal resident of California shall provide more than one qualifying contribution for each office in which an election is held covering the district in which he or she resides.*

(C) *Each qualifying contribution shall be acknowledged by a receipt to the contributor, with a copy submitted to the Commission by the candidate. The receipt shall include the contributor's signature, printed name, and home address, the date, and the name of the candidate on whose behalf the contribution is made. In addition, the receipt shall indicate by the contributor's signature that the contributor understands that he or she may contribute a qualifying contribution to only one candidate for each office for which the contributor is eligible to vote, that the purpose of the qualifying contribution is to help the candidate qualify for Clean Money campaign funding, and that the contribution is made without coercion or reimbursement.*

(D) *A contribution submitted as a qualifying contribution that does not include a signed and fully completed receipt shall not be counted as a qualifying contribution.*

(E) *All five-dollar (\$5) qualifying contributions, whether in the form of cash, check, or money order made out to the candidate's campaign account, shall be deposited by the candidate in the candidate's campaign account.*

*(F) All qualifying contributions' signed receipts shall be sent to the Commission and shall be accompanied by a check from the candidate's campaign account for the total amount of qualifying contribution funds received for deposit in the Clean Money Fund. This submission shall be accompanied by a signed statement under penalty of perjury from the candidate indicating that all of the information on the qualifying contribution receipts is complete and accurate to the best of the candidate's knowledge and that the amount of the enclosed check is equal to the sum of all the five-dollar (\$5) qualifying contributions the candidate has received.*

*(G) The candidate discloses at the end of the qualifying period the total amounts, if any, spent to hire paid circulators to collect qualifying contributions. The candidate shall disclose the information in a report filed with the Commission pursuant to regulations the Commission shall promulgate.*

*(b) A party candidate for elective state office qualifies as a participating candidate for the general election campaign period if both of the following requirements are met:*

*(1) The candidate met all of the applicable requirements of a participating candidate in the primary election period and filed a declaration with the Commission that the candidate has fulfilled and will fulfill all of the requirements of a participating candidate as stated in this act.*

*(2) As a participating candidate from an office-qualified party during the primary election campaign period, the candidate had the highest number of votes of the candidates contesting the primary election from the candidate's respective party and, therefore, won the party's nomination.*

*91073. A qualified candidate for elective state office shall collect at least half the number of signatures as required for an office-qualified candidate for the same office and may show a greater base of support by collecting double the amount of signatures as required for an office-qualified candidate to become a performance-qualified candidate. The candidate shall also file a declaration with the Commission that the candidate has complied and will comply with all of the requirements of this act. For a candidate who does not run in a primary, the qualifying period begins any time after January 1 of the election year and lasts 180 days, except that it shall end no later than 90 days before the general election. A candidate who is not an office-qualified candidate shall notify the Commission within 24 hours of the day when the candidate has begun collecting qualifying contributions.*

*91075. During the first election that occurs after the effective date of this act, a candidate for elective state office may be certified as a participating candidate, notwithstanding the acceptance of contributions or making of expenditures from private funds before the date of enactment that would, absent this section, disqualify the candidate as a participating candidate, provided that any private funds accepted but not expended before the effective date of this act meet any of the following criteria:*

*(a) Are returned to the contributor.*

*(b) Are held in a special campaign account and used only for retiring a debt from a previous campaign.*

*(c) Are submitted to the Commission for deposit in the Clean Money Fund.*

*91077. (a) A participating candidate who accepts any Clean Money benefits during the primary election campaign period shall comply with all of the requirements of this chapter applicable to participating candidates through the general election campaign period whether the candidate continues to accept benefits or not.*

*(b) An elected state officer who accepted Clean Money benefits in the election for the currently held office shall not accept private contributions from any source and shall not solicit or receive political contributions for any candidate or any political party committee or other political committee, until the first day of the Qualifying Period for the next election for the office currently held. Contributions pursuant to Section 91115 are not subject to this requirement.*

*91079. (a) During the primary and general election campaign periods, a participating candidate who has voluntarily agreed to participate in, and has become eligible for, Clean Money benefits, shall not accept private contributions from any source other than the candidate's political party as specified in Section 91123. Contributions pursuant to Section 91115 are not subject to this requirement.*

*(b) During the qualifying period and the primary and general election campaign periods, a participating candidate who has voluntarily agreed to participate in, and has become eligible for, Clean Money benefits shall not solicit or receive political contributions for any other candidate or for any political party committee or other committee as defined under Section 82013.*

*(c) No person shall make a contribution in the name of another person. A participating candidate who knows or reasonably should have known that he or she received a qualifying contribution or a seed money contribution that is not from the person listed on the receipt required by subparagraph (C) of paragraph (2) of subdivision (a) of Section 91071 shall be liable to pay the Commission the entire amount of the inaccurately identified contribution for deposit in the Clean Money Fund, in addition to any penalties.*

*(d) During the primary and general election campaign periods, a participating candidate shall pay for all of the candidate's campaign expenditures, except petty cash expenditures, by means of a "Clean Money Debit Card" issued by the Commission, as authorized under Section 91141.*

*(e) Candidates for elective state office shall furnish complete campaign records, including all records of seed money contributions and qualifying contributions, to the Commission at regular filing times. Candidates shall cooperate with any audit or examination by the Commission, the Franchise Tax Board, or any enforcement agency.*

*91081. (a) During an election for an elective state office, each participating candidate shall conduct all campaign financial activities through a single campaign account. Accounts established pursuant to Section 91115 are not subject to this requirement.*

*(b) Notwithstanding Section 85201, a participating candidate may maintain a campaign account other than the campaign account described in subdivision (a) if the other campaign account is for the purpose of retiring a campaign debt that was incurred during a previous election campaign in which the candidate was not a participating candidate.*

*(c) Contributions for the purposes of retiring a previous campaign debt that are deposited in the "other campaign account" described in subdivision (b) shall not be considered "contributions" to the candidate's current campaign. Contributions for the purpose of retiring debt shall only be raised during the six-month period following the date of the election, unless, for good cause shown, the candidate receives a six-month extension from the Commission.*

*(d) Participating candidates shall file reports of financial activity related to the current election cycle separately from reports of financial activity related to previous election cycles.*

91083. (a) *Participating candidates shall use their Clean Money funds only for direct campaign purposes.*

(b) *A participating candidate shall not use Clean Money funds for any of the following:*

(1) *Costs of legal defense in any campaign law enforcement proceeding under this act.*

(2) *Indirect campaign purposes, including, but not limited to, the following:*

(A) *The candidate's personal support or compensation to the candidate or the candidate's family.*

(B) *The candidate's personal appearance.*

(C) *Capital assets having a value in excess of five hundred dollars (\$500) and useful life extending beyond the end of the current election period determined in accordance with generally accepted accounting principles. Notwithstanding this limitation, a participating candidate may purchase computer-related assets provided that each such asset has a value not in excess of \$1,000.*

(D) *A contribution or loan to the campaign committee of another candidate or to a political party committee or other political committee.*

(E) *An independent expenditure.*

(F) *A gift in excess of twenty-five dollars (\$25) per person.*

(G) *Any payment or transfer for which compensating value is not received.*

(3) *Compensation to any individual who receives a salary from the State of California. Administrative and support personnel shall be exempt.*

91085. (a) *Personal funds contributed by a candidate for elective state office seeking to become eligible as a participating candidate as seed money to his or her campaign, or by adult members of the candidate's family to the candidate, shall not exceed the maximum of one hundred dollars (\$100) per contributor.*

(b) *Personal funds shall not be used to meet the qualifying contribution requirement except for one five-dollar (\$5) contribution from the candidate and one five-dollar (\$5) contribution from the candidate's spouse.*

91087. (a) *The only private contributions a candidate for elective state office seeking to become eligible for Clean Money funding shall accept, other than qualifying contributions, contributions pursuant to Section 91115, and limited contributions from the candidate's political party as specified in Section 91123, are seed money contributions contributed by individual legal residents of the State of California residing in the district in which the candidate is running for election prior to the end of the qualifying period.*

(b) *A seed money contribution shall not exceed one hundred dollars (\$100) per donor, and the aggregate amount of seed money contributions accepted by a candidate for elective state office seeking to become eligible for Clean Money funding shall not exceed:*

(1) *Ten thousand dollars (\$10,000) for a candidate running for the office of Member of the Assembly.*

(2) *Twenty thousand dollars (\$20,000) for a candidate running for the office of Member of the State Senate.*

(3) *Thirty thousand dollars (\$30,000) for a candidate running for the office of member of the State Board of Equalization.*

(4) *Seventy-five thousand dollars (\$75,000) for a candidate running for a statewide office other than Governor.*

(5) *Two hundred fifty thousand dollars (\$250,000) for a candidate running for the office of Governor.*

(c) Receipts for seed money contributions under twenty-five dollars (\$25) shall include the contributor's signature, printed name, street address, and ZIP Code. Receipts for seed money contributions of twenty-five dollars (\$25) or more shall also include the contributor's occupation and name of employer. Contributions shall not be retained if the required disclosure information is not received.

(d) Seed money shall be spent only during the exploratory and qualifying periods. Seed money shall not be spent during the primary or general election campaign periods. Any unspent seed money shall be turned over to the Commission for deposit in the Clean Money Fund.

(e) Within 72 hours after the close of the qualifying period, candidates seeking to become eligible for Clean Money funding shall do both of the following:

(1) Fully disclose all seed money contributions and expenditures to the Commission.

(2) Turn over to the Commission for deposit in the Clean Money Fund any seed money the candidate has raised during the exploratory period that exceeds the aggregate seed money limit.

91091. Participating candidates in races for elective state office with more than one candidate shall agree to participate in at least one public debate during a contested primary election and two public debates during a contested general election. The debates shall be conducted in accordance with regulations issued by the Fair Political Practices Commission.

91093. (a) No more than five days after a candidate applies for Clean Money benefits, the Commission shall certify that the candidate is or is not eligible. Eligibility may be revoked if the candidate violates the requirements of this act, in which case the candidate shall repay all Clean Money funds.

(b) The candidate's request for certification shall be signed by the candidate and the candidate's campaign treasurer under penalty of perjury.

(c) The Commission's determination is final except that it is subject to a prompt judicial review.

(d) The Commission shall provide updated information on its Web site that reflects changes to a candidate's status as participating or non-participating candidates within 24 hours of such a change.

#### Article 5. Clean Money Benefits

91095. (a) Candidates for elective state office who qualify for Clean Money funding for primary and general elections shall:

(1) Receive Clean Money funding from the Commission for each election, the amount of which is specified in Section 91099. This funding may be used to finance any and all campaign expenses during the particular campaign period for which it was allocated consistent with Section 91081.

(2) Receive, if an office-qualified candidate or a performance-qualified candidate showing a broad base of support, additional Clean Money funding to match any excess expenditure amount spent by a nonparticipating candidate, as disclosed pursuant to Section 91107, provided that the dollar value of the excess expenditure amount, combined with the amount spent by any independent expenditure exceeds, the initial amount of Clean Money funding received by the participating candidate.

(3) Receive, if an office-qualified candidate or a performance-qualified candidate showing a broad base of support, additional Clean Money funding to match any excess independent expenditure made in opposition to their candidacies or in support of their opponents' candidacies, as disclosed pursuant



to Section 91109, provided that the dollar value of the expenditure, combined with the amount raised or received thus far by any opposing candidate who benefits from the independent expenditure exceeds, the initial amount of Clean Money funding received by the participating candidate.

(b) The maximum aggregate amount of funding a participating office-qualified candidate or a performance-qualified candidate showing a broad base of support shall receive to match independent expenditures and excess expenditures of nonparticipating candidates shall be no more than five times the amount of Clean Money funding allocated to a participating candidate pursuant to Section 91099 for a particular primary or general election campaign period, except that for the office of Governor, the amount shall be no more than four times the amount of Clean Money funding allocated to a participating candidate pursuant to Section 91099.

91095.5. (a) Independent expenditures against a participating candidate shall be treated as expenditures of each opposing candidate for the purposes of Section 91095.

(b) Independent expenditures in favor of one or more non-participating opponents of a participating candidate shall be treated as expenditures of those non-participating candidates for the purpose of Section 91095.

(c) Independent expenditures in favor of a participating candidate shall be treated, for every opposing participating candidate, as though the independent expenditures were an expenditure of a nonparticipating opponent, for purpose of Section 91095.

(d) The Commission shall promulgate regulations relating to independent expenditures that reference or depict more than one candidate for the purposes of Section 91095.

91097. (a) A qualified or office-qualified candidate for elective state office shall receive the candidate's Clean Money funding for the primary election campaign period on the date on which the Commission certifies the candidate as a participating candidate. This certification shall take place no later than five days after the candidate has submitted the required number of qualifying contribution receipts, a check for the total amount of qualifying contributions collected, and a declaration stating that the candidate has complied with all other requirements for eligibility as a participating candidate, but no earlier than the beginning of the primary election campaign period.

(b) A qualified or performance-qualified candidate for elective state office shall receive the candidate's Clean Money funding for the general election campaign period within two business days after certification of the primary election results.

(c) A participating candidate for Legislature running in the primary of the dominant party in a one-party dominant district may choose to reallocate a portion of the Clean Money funding amount from the general election period to the primary period. The candidate shall make this choice in a writing submitted to the Commission with the materials specified in subdivision (a) at the close of the qualifying period. The participating candidate who makes such a choice shall receive an additional amount equal to 25 percent of the amount specified for the general election for the appropriate office as set forth in subdivision (b) of Section 91099. The amount a participating candidate who makes such a choice shall receive at the beginning of the general election period shall be reduced by 25 percent. The choice may also affect the amount at which an opposing candidate may be considered to have exceeded the amount of Clean Money

*funding available to the participating candidate. If a competing participating candidate transfers funds pursuant to this subdivision from the general to the primary election by the close of the qualifying period, any other participating candidates in the same election may transfer the same amount of funds from the general to the primary election by notifying the Commission in writing within five days of the close of the qualifying period. The Commission shall promulgate regulations that require notification of such transfers to the Commission and to affected candidates.*

91099. (a) *For candidates in a primary election for elective state office or for performance-qualified candidates for elective state office in a special or special runoff election:*

(1) *The amount of Clean Money funding for an office-qualified party candidate in a primary, special, or special runoff election is:*

(A) *Two hundred fifty thousand dollars (\$250,000) for a candidate running for the office of Member of the Assembly.*

(B) *Five hundred thousand dollars (\$500,000) for a candidate running for the office of Member of the State Senate.*

(C) *Two hundred fifty thousand dollars (\$250,000) for a candidate running for the office of member of the State Board of Equalization.*

(D) *Two million dollars (\$2,000,000) for a candidate running for a statewide office other than Governor.*

(E) *Ten million dollars (\$10,000,000) for a candidate running for Governor.*

(2) *The amount of Clean Money funding for a performance-qualified candidate in a primary or special election is 20 percent of the amount an office-qualified party candidate running for the same office could receive. The amount of Clean Money funding for a performance-qualified candidate in a special runoff election is 50 percent of the amount an office-qualified candidate running for the same office would receive.*

(3) *The Clean Money funding amount for a participating candidate in a primary election where no other candidates are running in the same party primary for that seat is 10 percent of the amount provided in a contested primary election.*

(b) *For candidates for elective state office in a general election:*

(1) *The amount of Clean Money funding for an office-qualified candidate in a contested general election is:*

(A) *Four hundred thousand dollars (\$400,000) for a candidate running for the office of Member of the Assembly.*

(B) *Eight hundred thousand dollars (\$800,000) for a candidate running for the office of Member of the State Senate.*

(C) *Four hundred thousand dollars (\$400,000) for a candidate running for the office of member of the State Board of Equalization.*

(D) *Two million dollars (\$2,000,000) for a candidate running for a statewide office other than Governor.*

(E) *Fifteen million dollars (\$15,000,000) for a candidate running for Governor.*

(2) *The amount of Clean Money funding for a performance-qualified candidate in a contested general election is 50 percent of the amount an office-qualified candidate running for the same office could receive.*

(3) *The amount of Clean Money funding for a qualified candidate in a contested general election is 25 percent of the amount an office-qualified candidate running for the same office could receive.*



*Article 6. Restrictions on Nonparticipating Candidates, Political Parties, and Independent Expenditure Committees*

91101. (a) A person, other than a small contributor committee or political party committee, shall not make to any nonparticipating candidate or candidates, and a nonparticipating candidate shall not accept from a person other than a small contributor committee or a political party committee, any contribution totaling more than five hundred dollars (\$500) per election, if a candidate for the Legislature or for the State Board of Equalization, or more than one thousand dollars (\$1,000) if a candidate for statewide office. Contributions pursuant to Section 91115 are not subject to this requirement.

(b) The provisions of this section do not apply to a nonparticipating candidate's contributions of personal funds to the candidate's own campaign.

91103. A small contributor committee shall not make to any nonparticipating candidate, and a nonparticipating candidate shall not accept from a small contributor committee, any contribution totaling more than two thousand five hundred dollars (\$2,500) per election.

91105. (a) A person shall not make to any independent expenditure committee, and a committee shall not accept from a person, contributions totaling more than one thousand dollars (\$1,000) per calendar year for the purpose of making expenditures in support of the election or defeat of a candidate, or candidates for elective state office.

(b) A person may not make to any committee, other than a political party committee, and a committee other than a political party committee may not accept, any contribution totaling more than one thousand dollars (\$1,000) per calendar year for the purpose of making contributions to any committees, including ballot measure committees, controlled by candidates for elective state office.

(c) A person may not make to any political party committee, and a political party committee may not accept, any contribution totaling more than seven thousand five-hundred dollars (\$7,500) per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state or for the purpose of making contributions to any committees, including ballot measure committees, controlled by candidates for elective state office. Notwithstanding Section 85312, this limit applies to contributions made to a political party used for the purpose of making expenditures at the behest of a candidate for elective state office for communications to party members related to the candidate's candidacy for elective state office.

(d) Nothing in this chapter limits a nonparticipating candidate for elective state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election related activities or holding office to a political party committee, provided those transferred contributions are used for purposes consistent with paragraph (4) of subdivision (b) of Section 89519.

(e) An elected state officer, nonparticipating candidate, legal defense account, political party committee, or independent expenditure committee shall not solicit or accept a contribution from a registered state lobbyist or lobbying firm, or from a state contractor, if the lobbyist or employee or principal of the lobbying firm is registered to lobby, or if the state contractor has present or potential future business with, the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer.

(f) *No committee controlled by a candidate or officeholder, shall make any contribution to any other candidate running for state office or his or her controlled committee.*

(g) *No person shall contribute in the aggregate more than seven thousand five hundred dollars (\$7,500) to all candidates for elective state offices and their controlled committees, political party committees, and any other committees, in any calendar year, for the purpose of making contributions to candidates for elective state office or independent expenditures to support or oppose candidates for elective state office; provided, however, that a person may contribute up to an additional seven thousand five hundred dollars (\$7,500) in a calendar year to independent expenditure committees that support or oppose candidates for elective state office.*

(h) *A controlled committee of a candidate shall not make independent expenditures and shall not make contributions to another committee which makes independent expenditures to support or oppose other candidates.*

#### *Article 6.5. Applicability of Limits to Special Elections and Special Runoff Elections*

*91106. The contribution and expenditure limits and restrictions of this chapter apply to special elections and apply to special runoff elections. A special election and a special runoff election are separate elections for purposes of the contribution and expenditure provisions set forth in this chapter.*

#### *Article 7. Disclosure Requirements*

*91107. (a) A nonparticipating candidate shall notify the Commission online or electronically on the same day that the candidate spends or incurs expenditures in excess of the initial amount of Clean Money funding allocated to the candidate's Clean Money opponent or opponents pursuant to Section 91099. The notification shall include the excess amount spent or incurred as of that date. Upon receiving notification from a nonparticipating candidate, the Commission shall immediately notify all other candidates in that election.*

*(b) A nonparticipating candidate that spends or incurs expenditures in excess of the initial amount of Clean Money funding actually received by the candidate's Clean Money opponent or opponents, shall notify the Commission online or electronically within 24 hours each time the candidate's committee makes or incurs cumulative expenditures of five thousand dollars (\$5,000) or more in excess of the amount(s).*

*(c) In the event a nonparticipating candidate fails to timely notify the Commission in accordance with subdivisions (a) and (b), the Commission may make its own determination as to whether excess expenditures have been made or incurred by nonparticipating candidates.*

*(d) Upon receiving an excess expenditure notification or determining that an excess expenditure has been made, the Commission shall release additional Clean Money funding to the opposing participating performance-qualified and office-qualified candidates within one business day. The amount released shall be equal to the excess amount spent or incurred by the nonparticipating candidate subject to the limits set forth in subdivision (b) of Section 91095.*

*91107.5. (a) No candidate for elective state office shall expend or contribute more than \$25,000 in personal funds in connection with his or her campaign so as to make the total amount contributed from all sources aggregate more than the amount set forth in Section 91099 for the office for which they are running unless and until the conditions in subdivisions (b) and (c) are met.*

*(b) Notice of the candidate's intent to so expend or contribute shall be provided online, electronically, by facsimile, or personal delivery, to all opponents and to the Commission within 15 days of the decision to expend or contribute, specifying the amount intended to be expended or contributed.*

*(c) All personal funds to be expended or contributed by the candidate pursuant to subdivision (a) shall first be deposited in the candidate's campaign contribution checking account at least 15 days before the election. Such deposited funds shall be considered an expenditure made by the candidate and shall trigger matching funds pursuant to Section 91095.*

*(d) In the event that the candidate contributes or expends more in personal funds than provided by this section, the matching fund limit set forth in subdivision (b) of Section 91095 shall be doubled for all opposing participating candidates.*

*91109. (a) In addition to any other report required by this chapter, a committee, including a political party committee, that makes independent expenditures of one thousand dollars (\$1,000) or more during an election cycle to support or oppose a candidate, shall file a report with the Commission disclosing the independent expenditure within 24 hours of the time the independent expenditure is made or incurred. This report shall disclose the same information required by subdivision (b) of Section 84204 and shall be filed online or electronically if the committee is required to file reports pursuant to Section 84605, and by facsimile, personal delivery or by such other means as determined by the Commission for committees that do not file reports electronically.*

*(b) An expenditure may not be considered independent, and shall be treated as a contribution from the person making the expenditure to the candidate on whose behalf, or for whose benefit, the expenditure is made, if the expenditure is made under any of the following circumstances:*

*(1) The expenditure is made with the cooperation of, or in consultation with, the candidate on whose behalf, or for whose benefit, the expenditure is made, or any controlled committee or any agent of the candidate.*

*(2) The expenditure is made in concert with, or at the request or suggestion of, the candidate on whose behalf, or for whose benefit, the expenditure is made, or any controlled committee or any agent of the candidate.*

*(3) The expenditure is made under any arrangement, coordination, or direction with respect to the candidate or the candidate's agent and the person making the expenditure.*

*(c) The report to the Commission shall include a signed statement under penalty of perjury by the person or persons making the independent expenditure identifying the candidate or candidates supported or opposed by the independent expenditure, and affirming that the expenditure is independent and not coordinated with a candidate or a political party.*

*(d) Any committee that fails to file the required report to the Commission or that knowingly provides materially false information in a report filed pursuant to subdivisions (a) or (b), may be fined up to three times the amount of the independent expenditure, in addition to any other remedies provided by this act.*

*(e) Upon receiving a report that an independent expenditure has been made or incurred, the Commission shall immediately notify all candidates in that election and release additional Clean Money funding, pursuant to Section 91095, within one business day to all participating candidates in that specific primary or general election whom the Commission determines were not beneficiaries of the independent expenditure, subject to the limits in subdivision (b) of Section 91095.*

91113. (a) *In addition to other disclosure provisions contained in this Code, all broadcast and print advertisements paid for by a candidate for elective state office or committee controlled by a candidate for elective state office shall include a disclosure statement indicating that the candidate has approved of the contents of the advertisement.*

(b) *The disclosure statement required by subdivision (a) that is included in a broadcast advertisement shall be spoken so as to be clearly audible and understood by the intended public and otherwise appropriately conveyed for the hearing impaired.*

(c) *The disclosure statement required by subdivision (a) that is included in a print advertisement shall be printed clearly and legibly in no less than 10-point type and in a conspicuous manner as defined by the Commission.*

(d) *For purposes of this section, "advertisement" means any general or public advertisement which is authorized and paid for by a candidate or committee controlled by a candidate for the purpose of supporting or opposing a candidate for elective state office, but does not include a campaign button smaller than 10 inches in diameter, a bumper sticker smaller than 60 square inches, or other advertisement as determined by regulations of the Commission.*

*Article 8. Ballot Access, Recount, Legal Defense,  
Officeholder, and Inaugural Funds*

91115. (a) *A candidate for elective state office or elected state officer may establish a separate account to defray attorney's fees and other related legal costs incurred for the candidate's or elected state officer's expenses in any litigation over ballot access, qualifications or designations, election recounts and contests, or in connection with any legal defense if the candidate or elected state officer is subject to one or more civil or criminal proceedings or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental activities and duties. These funds may be used only to defray those attorney's fees and other related legal costs.*

(b) *An elected state officer who accepted Clean Money benefits in the election shall receive \$50,000 annually from the Clean Money Fund, if a member of the Legislature, or \$100,000 annually for all statewide offices to defray officeholder expenses. Any such elected state officer shall not accept private contributions from any source for his or her officeholder account for the currently held office unless such officer raises private contributions for a campaign account in excess of the amounts set forth in Sec. 91087. In the event that such elected officer raises private contributions for a campaign account in excess of the amounts set forth in Sec. 91087, he or she shall no longer receive money for an officeholder account as of the start of the next calendar year and may raise private contributions for an officeholder account pursuant to subdivision (c) of Section 91115.*

(c) *An elected state officer who did not accept Clean Money benefits in the election for his or her current office may establish a separate account to defray officeholder expenses that are set forth by the Commission. No funds from this account shall be used for a mass mailing. The aggregate amount contributed to any officeholder account shall not exceed fifty thousand dollars (\$50,000) annually for any legislative officer or one hundred thousand (\$100,000) for any statewide officer.*

(d) *A Governor, Lieutenant Governor, or other statewide officer may establish an inaugural account to cover the cost of events, celebrations, gatherings,*

and communications that take place as part of, or in honor of, the officer's inauguration. No inaugural account may exceed \$500,000 cumulatively.

(e) A candidate or officer may receive contributions of up to five hundred dollars (\$500) per person per year in the aggregate for accounts in subdivisions (a), (c), and (d). All contributions, whether cash or in-kind, shall be reported in a manner prescribed by the Commission. Contributions to such funds shall not be considered campaign contributions.

(f) A candidate or elected state officer who has established a legal account pursuant to subdivision (a) shall dispose of all leftover funds once the legal dispute is resolved and all expenses are discharged. The candidate or elected state officer shall dispose of the excess funds consistent with for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.

(g) An elected state officer who has established an officeholder account pursuant to subdivision (b) shall return to the state Clean Money Fund all leftover funds once the officer leaves and all expenses are discharged.

(h) An elected state officer who has established an officeholder account pursuant to subdivision (c) shall dispose of all leftover funds once the officer leaves office and all expenses are discharged. The elected state officer shall dispose of the excess funds consistent with for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.

#### Article 9. Restrictions on Candidates

91117. A candidate for elective state office or any committee controlled by the candidate shall not receive any contributions prior to the beginning of the exploratory period.

91119. A nonparticipating candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same nonparticipating candidate. Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor shall not exceed the limits set forth in Section 91101, 91103 or 91105.

91121. A nonparticipating candidate may accept a contribution after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election and the contribution does not otherwise exceed the applicable contribution limit for that election. All debts shall be repaid or written off no later than 90 days after the general election. The Commission may extend this deadline for up to an additional 90 days upon a finding of good cause for the extension based on facts and circumstances presented by the candidate.

91123. Candidates for elective state office may accept monetary or in-kind contributions from political parties provided that the aggregate amount of such contributions from all political party committees combined does not exceed the following amounts:

(a) The aggregate amount of monetary or in kind contributions from all political party committees combined for each participating and non-participating candidate in a primary, special, or special runoff election is:

(1) Twelve thousand five hundred dollars (\$12,500) for a candidate running for the office of Member of the Assembly.

(2) Twenty-five thousand dollars (\$25,000) for a candidate running for the office of Member of the State Senate.



(3) *Twelve thousand five hundred dollars (\$12,500) for a candidate running for the office of member of the State Board of Equalization.*

(4) *One hundred thousand dollars (\$100,000) for a candidate running for a statewide office other than Governor.*

(5) *Five hundred thousand dollars (\$500,000) for a candidate running for Governor.*

(b) *The aggregate amount of monetary or in kind contributions from all political party committees combined for each participating and non-participating candidate in a contested general election is:*

(1) *Twenty thousand dollars (\$20,000) for a candidate running for the office of Member of the Assembly.*

(2) *Forty thousand dollars (\$40,000) for a candidate running for the office of Member of the State Senate.*

(3) *Twenty thousand dollars (\$20,000) for a candidate running for the office of member of the State Board of Equalization.*

(4) *Two hundred thousand dollars (\$200,000) for a candidate running for a statewide office other than Governor.*

(5) *Seven hundred fifty thousand dollars (\$750,000) for a candidate running for Governor.*

*Such contributions shall not count against the Clean Money funding amounts available to participating candidates and funds may be spent directly by participating candidates without using a Clean Money Debit Card.*

#### *Article 10. Voter Pamphlet Statements*

91127. *The Secretary of State shall designate in the state ballot pamphlet those candidates who have voluntarily agreed to be participating candidates.*

91131. (a) *A candidate who is a participating candidate may place a statement in the state ballot pamphlet and on any Internet Web site listing of candidates maintained by any government agency including, but not limited to, the Secretary of State, that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The candidate may also provide a list of ten endorsers for placement in the ballot pamphlet. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets.*

(b) *A nonparticipating candidate may pay to place a statement in the appropriate ballot pamphlet or voter information portion of the sample ballot that does not exceed 250 words, and may pay the price to place a list of up to 10 endorsers in the ballot pamphlet. The statement shall not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets. The nonparticipating candidate shall be charged the pro rata cost of printing, handling, translating, and mailing any campaign statement and list of endorsers provided pursuant to this subdivision.*

#### *Article 10.5. Voter Education and Outreach*

91132. *The Secretary of State shall, using the funds provided by paragraph (3) of subdivision (a) of Section 91134, conduct voter education and outreach efforts throughout the state regarding the public campaign funding system established by this chapter and, specifically, the meaning behind the statements included in the ballot, as provided in subparagraph (A) of paragraph (2) of subdivision (a) of Section 13207 of the Elections Code. Such efforts shall include*

*public service announcements in radio, television, or print media that are disseminated in a manner consistent with the language assistance requirements of the Voting Rights Act, 42 U.S.C. Sec. 1973aa-1. Public announcements disseminated by television, radio, or print media shall not feature the voice, name, still or video image of the Secretary of State.*

*Article 11. Appropriations for the Clean Money Fund*

*91133. A special, dedicated, nonlapsing Clean Money Fund is created in the State Treasury. The Franchise Tax Board shall deposit into the Clean Money Fund fees generated from the following assessments:*

*(a) an increase of 0.2 in the rate for amounts paid on taxable income as provided in subdivision (g) of Section 23151 of the Revenue and Taxation Code [from 8.84 percent to 9.04 percent];*

*(b) an increase of 0.2 in the rate for amounts paid on taxable income as provided in subdivision (b) of Section 23186 of the Revenue and Taxation Code [from 10.84 percent to 11.04 percent]; and*

*(c) an increase in the tax imposed on passive investment income under Section 23811 of the Revenue and Taxation Code from 1.5 percent to 1.66 percent of annual net passive investment income for corporations with over \$50 million in total receipts.*

*91134. (a) The Franchise Tax Board shall administer the collection of the Clean Money Fees described herein, including any penalties and interest. The Clean Money Fund is established for the following purposes:*

*(1) Providing public financing for the election campaigns of certified participating candidates during primary and general campaign periods.*

*(2) Paying for the administrative and enforcement costs of the Commission related to this chapter. The Commission shall annually be appropriated at least three million dollars (\$3,000,000), adjusted for cost-of-living changes as provided in Section 82001, to administer this act.*

*(3) Paying for the voter education and outreach efforts as provided in Section 91132, except that the annual amount of funds available for these efforts shall be no more than five percent of the amount specified in subdivision (a) for the each of the first two years after implementation of this chapter in which there are elections, and no more than one percent every year thereafter in which there are elections. Funds unused by the Secretary of State shall revert to the Clean Money Fund, annually.*

*(b) Funds collected pursuant to this section shall first be collected in the 2007–08 fiscal year and in each subsequent fiscal year.*

*91135. Other sources of revenue to be deposited in the Clean Money Fund shall include all of the following:*

*(a) The qualifying contributions required of candidates seeking to become certified as participating candidates and candidates' excess qualifying contributions.*

*(b) The excess seed money contributions of candidates seeking to become certified as participating candidates.*

*(c) Unspent or uncommitted funds shall be returned no later than thirty days following the date of the close of the primary election period or the general election for which they were distributed. The Commission shall promulgate regulations in furtherance of this subdivision.*

*(d) Fines levied by the Commission against candidates for violation of election laws.*

*(e) Voluntary donations made directly to the Clean Money Fund.*



(f) *Any interest generated by the Clean Money Fund.*

91136. *The amount of money in the Clean Money Fund shall not exceed four times the amount of six dollars (\$6.00) times the number of California residents. Any funds that, if deposited in the Clean Money Fund, would cause the balance in the fund to exceed this amount shall be irrevocably transferred to the General Fund.*

*Article 12. Limits on Contributions to Candidate-  
Controlled Ballot Measures*

*91137. Limits on Contributions to Candidate-Controlled Ballot Measure Committees*

(a) *A ballot measure committee not controlled by a candidate for elective state office or an elected state officer is not subject to the provisions of this section. A ballot measure committee becomes subject to the provisions of this section once it becomes controlled by one or more candidates for elective state office, as defined in Section 82016. However, a ballot measure committee controlled by an individual who ceases to be a candidate as defined in Government Code Section 82007 is no longer subject to the provisions of this section.*

(b) *No person shall make a contribution or contributions totaling in excess of ten thousand dollars (\$10,000) to any committee that is established for the purpose of supporting or opposing a state or local ballot measure and that is controlled by a candidate for elective state office or an elected state officer. This contribution limit shall apply as an aggregate limit upon all contributions made by any person to all ballot measure committees controlled by the same candidate for elective state office or the same elected state officer, even if those committees are established for the purpose of supporting or opposing different state or local ballot measures, and even if one or more of those ballot measure committees are controlled by more than one candidate for elective state office or elected state officers.*

(c) *A ballot measure committee that is primarily formed to support or oppose a ballot measure or measures and that is controlled by a candidate for elective state office or an elected state officer is subject to the post-election fundraising limitations of Section 85316. A general purpose ballot measure committee is not subject to the post-election fundraising limitations of Government Code Section 85316.*

*Article 13. Limits on Contributions or Independent Expenditures by  
Corporations in Connection with State Candidate Elections*

*91138. Limits on Contributions or Independent Expenditures by Corporations in Connection with State Candidate Elections*

(a) *Except as provided in subdivision (c) of this section, and except for direct contributions pursuant to subdivision (a) of Section 91101, it is unlawful for any national or state bank or for any corporation incorporated under the laws of this or any other state or any foreign country, to make a contribution or expenditure in connection with the election of any candidate for elective state office. It shall likewise be unlawful for any candidate, committee, or other person knowingly to accept or to receive any contribution prohibited by this section, or for any officer or any director of any corporation or of any national or state bank to consent to any contribution or expenditure by the corporation or national or state bank, as the case may be, prohibited by this section.*

*(b) For purposes of this section, the term “contribution or expenditure” includes a contribution, expenditure or independent expenditure, as those terms are defined in Sections 82015, 82025 and 82031, and also includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value provided to any candidate or committee (including any political party committee) in connection with any election for elective state office, except that nothing in this section shall prohibit (1) a loan of money by a national or state bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business; or (2) the payment or receipt of interest earnings, stock or other dividends on investments where the interest or dividends are received in accordance with the applicable banking laws and in the ordinary course of business.*

*(c) For purposes of this section, the term “contribution or expenditure” shall not include*

*(1) communications by a bank or corporation to its stockholders and executive or administrative personnel and their immediate families on any subject;*

*(2) nonpartisan registration and get-out-the-vote campaigns by a bank or corporation aimed at its stockholders and executive or administrative personnel and their immediate families; and*

*(3) the establishment, administration, and solicitation by a bank or corporation of contributions to a separate segregated fund to be utilized for making political contributions or expenditures, provided that the fund may consist only of voluntary contributions solicited from individuals who are either stockholders, members or employees of the bank or corporation, and their immediate families.*

*(d) It shall be unlawful for any separate segregated fund established in accordance with paragraph (3) of subdivision (c) to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other funds required as a condition of employment; or by funds obtained in any commercial transaction. It shall be unlawful for any person soliciting an employee for a contribution to any separate segregated fund (1) to fail to inform the employee of the political purposes of the fund at the time of the solicitation; and (2) to fail to inform the employee, at the time of the solicitation, of his or her right to refuse to so contribute without any reprisal.*

*(e) This section shall not prevent a trade association or a separate segregated fund established by a trade association from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of the trade association and the immediate families of the stockholders or personnel to the extent that the solicitation of the stockholders and personnel, and their immediate families, has been separately and specifically approved by the member corporation involved, and the member corporation does not approve any such solicitation by more than one such trade association in any calendar year.*

*(f) For purposes of this section, the term “executive or administrative personnel” means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking, managerial, professional, or supervisory responsibilities.*

(g) *The Commission shall promulgate regulations implementing the requirements of this section and governing the administration and solicitation of contributions to separate segregated funds established in accordance with paragraph (3) of subdivision (c). The Commission's regulations shall conform to the intent of the voters in adopting this section and shall, to the maximum extent practicable, be consistent with the regulations adopted by the Federal Election Commission interpreting and implementing the comparable provisions of the Federal Election Campaign Act.*

*Article 14. Limits on Contributions or Expenditures by Corporations in Connection with State Ballot Measure Elections*

*91139. Limits on Contributions or Expenditures by Corporations in Connection with State Ballot Measure Elections*

(a) *Except as provided in subdivision (c), it is unlawful for any national or state bank or for any corporation incorporated under the laws of this or any other state or any foreign country, to make contributions or expenditures to support or oppose the qualification, passage or defeat of a state ballot measure that in the aggregate exceed \$10,000 for or against any statewide ballot measure. It shall likewise be unlawful for any candidate, committee, or other person knowingly to accept or to receive any contribution prohibited in excess of the limits established by this section, or for any officer or any director of any corporation or of any national or state bank to consent to any contribution or expenditure by the corporation or national or state bank, as the case may be, prohibited by this section.*

(b) *For purposes of this section, the term "contribution or expenditure" includes a contribution, expenditure or independent expenditure, as those terms are defined in Sections 82015, 82025 and 82031, and also includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value provided to any candidate or committee, including any political party committee, to support or oppose the qualification, passage or defeat of a state ballot measure, except that nothing in this section shall prohibit (1) a loan of money by a national or state bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, or (2) the payment or receipt of interest earnings, stock or other dividends on investments where the interest or dividends are received in accordance with the applicable banking laws and in the ordinary course of business.*

(c) *For purposes of this section, the term "contribution or expenditure" shall not include (1) communications by a bank or corporation to its stockholders and executive or administrative personnel and their immediate families on any subject, (2) nonpartisan registration and get-out-the-vote campaigns by a bank or corporation aimed at its stockholders and executive or administrative personnel and their immediate families, or (3) the establishment, administration, and solicitation by a bank or corporation of contributions to a separate segregated fund to be utilized for making political contributions or expenditures, provided that the fund shall consist only of voluntary contributions solicited from individuals who are either stockholders, members or employees of the bank or corporation, and their immediate families.*

(d) *It shall be unlawful for any separate segregated fund established in accordance with paragraph (3) of subdivision (c) to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination,*

*or financial reprisal; or by dues, fees, or other funds required as a condition of employment; or by funds obtained in any commercial transaction. It shall be unlawful for any person soliciting an employee for a contribution to any separate segregated fund (1) to fail to inform the employee of the political purposes of the fund at the time of the solicitation; and (2) to fail to inform the employee, at the time of the solicitation, of his or her right to refuse to so contribute without any reprisal.*

*(e) This section shall not prevent a trade association or a separate segregated fund established by a trade association from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of the trade association and the immediate families of the stockholders or personnel to the extent that the solicitation of the stockholders and personnel, and their immediate families, has been separately and specifically approved by the member corporation involved, and the member corporation does not approve any such solicitation by more than one such trade association in any calendar year.*

*(f) For purposes of this section, the term "executive or administrative personnel" means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking, managerial, professional, or supervisory responsibilities.*

*(g) The Commission shall promulgate regulations implementing the requirements of this section and governing the administration and solicitation of contributions to separate segregated funds established in accordance with paragraph (3) of subdivision (c). The Commission's regulations shall conform to the intent of the voters in adopting this section and shall, to the maximum extent practicable, be consistent with the regulations adopted by the Federal Election Commission interpreting and implementing the comparable provisions of the Federal Election Campaign Act.*

#### *Article 15. Nonprofit Corporation Exemption*

##### *91140. Nonprofit Corporations Exempt from Prohibitions and Limits on Political Contributions or Expenditures*

*(a) The prohibitions and limits on contributions or expenditures set forth in Sections 91138 and 91139 shall not apply to a qualified nonprofit corporation that has all of the following characteristics:*

*(1) It does not qualify as or engage in any of the activities of a business entity, as defined in Section 82005;*

*(2) It has:*

*(A) No shareholders or other persons, other than employees and creditors with no ownership interest, affiliated in any way that could allow them to make a claim on the organization's assets or earnings; and*

*(B) No persons who are offered or who receive any benefit that is a disincentive for them to disassociate themselves with the corporation on the basis of the corporation's position on a political issue.*

*(3) It:*

*(A) Was not established by a business entity;*

*(B) Is not "affiliated" with a business entity within the meaning of Section 150 of the Corporations Code;*

*(C) Is not composed of members that are business entities or that engage in the activities of a business entity;*

*(D) Does not directly or indirectly accept donations of anything of value from business entities; and*

(4) If unable, for good cause, to demonstrate through accounting records that subparagraph (D) of paragraph (3) is satisfied, has a written policy against accepting donations from business entities; and

(5) It is described in 26 U.S.C. §501(a) and (c).

(b) Whenever a qualified nonprofit corporation solicits donations, the solicitation shall inform potential donors that their donations may be used for political purposes.

(c) Qualified nonprofit corporations possessing all of the characteristics enumerated in subdivision (a) remain subject to all other applicable requirements and limitations of this title, including those provisions requiring disclosure of any contributions or expenditures permitted by this section.

#### Article 16. Administration

91141. (a) Upon a determination that a candidate has met all the requirements for becoming a participating candidate as provided for in this act, the Commission shall issue to the candidate a card, known as the "Clean Money Debit Card," and a "line of debit" entitling the candidates and members of the candidate's staff to draw Clean Money funds from a Commission account to pay for all campaign costs and expenses up to the amount of Clean Money funding the candidate has received.

(b) Neither a participating candidate nor any other person on behalf of a participating candidate shall pay campaign costs by cash, check, money order, loan, or by any other financial means other than the Clean Money Debit Card, except for contributions received from political party committees in accordance with Section 91123.

(c) Cash amounts of one hundred dollars (\$100) or less per day may be drawn on the Clean Money Debit Card and used to pay expenses of no more than twenty-five dollars (\$25) each. Records of all such expenditures shall be maintained and reported to the Commission.

91142. If the Commission determines that there are insufficient funds in the program to fund adequately all candidates eligible for Clean Money funds, the Commission shall reduce the grants proportionately to all eligible candidates. If the Commission notifies a candidate that the Clean Money funds will be reduced and the candidate has not received any Clean Money funds, the candidate may decide to be a nonparticipating candidate. If a candidate has already received Clean Money funds or wishes to start receiving such funds, a candidate who wishes to collect contributions may do so in amounts up to the contribution limits provided for nonparticipating candidates but shall not collect more than the total of Clean Money funds that the candidate was entitled to receive had there been sufficient funds in the program less the amount of Clean Money funds that will be or have been provided. If, at a later point, the Commission determines that adequate funds have become available, candidates, who have not raised private funds, shall receive the funds owed to them.

91143. (a) At the end of the primary election period, a participating candidate who has received funds pursuant to Article 5 shall return to the fund all funds in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made during the primary election period and for goods or services directed to the primary election.

(b) At the end of the general election period, a participating candidate shall return to the fund all funds in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made before the general election and for goods or services directed to the general election.



(c) A participating candidate shall pay all uncontested and unpaid bills referenced in this section no later than thirty days after the primary or general election. A participating candidate shall make monthly reports to the commission concerning the status of the dispute over any contested bills. Any funds in a candidate's campaign account after payment of bills shall be returned promptly to the fund.

(d) If a participating candidate is replaced, and the replacement candidate files an oath with the Secretary of State certifying that he or she shall assume all responsibility for compliance with the provisions of this chapter concerning the current status and ongoing administration of the campaign account, and further certifying that he or she will faithfully comply with all provisions of this chapter applicable to the participating candidate status he or she is assuming as a replacement candidate, the campaign account of the participating candidate shall be transferred to the replacement candidate and the commission shall certify the replacement candidate as a participating candidate with the same status, rights and obligations as the replaced candidate. If the replacement candidate does not file such an oath, the campaign account shall be liquidated and all remaining funds returned to the fund.

#### Article 17. Cost of Living

91144. The Commission shall adjust the contribution limitations, spending limits, seed money provisions, funding amounts provided and the Clean Money Fund provisions in January of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index and the increase in registered voters. Those adjustments shall be rounded to the nearest ten dollars (\$10) for the seed money provisions, one hundred dollars (\$100) for the limitations on contributions, and one thousand dollars (\$1,000) for the Clean Money provisions.

91145. On or before December 6 of each year ending in one, the Commission shall prepare and provide to each Member of the Legislature and to the standing committees in the Assembly and the Senate with jurisdiction over elections a report containing a review and analysis of the functioning of the Clean Money Fund and the Commission's recommendations as to whether additional cost of living adjustments, beyond those specified in Section 91144 should be made to the spending limits, seed money provisions, funding amounts provided and the Clean Money Fund provisions of this chapter, and suggesting other changes that are advisable to further the purpose of this act. The Commission's recommendations shall be based upon an analysis of the disclosures of campaign contributions and expenditures made by non-participating candidates in the preceding decade and other campaign financing information available, and this analysis shall be set forth in detail in the report. Amendments to this chapter made in accordance with the Commission's recommendation may be adopted by a vote of 55 percent of both houses of the Legislature.

#### Article 18. Enforcement

91146. (a) It is unlawful for participating candidates or their agents to knowingly accept more Clean Money benefits than those to which they are entitled, spend more than the amount of Clean Money funding they have received, or misuse such benefits or Clean Money funding.

(b) Any person, including an individual specified in Section 91115, who knowingly or willfully violates any provision of this chapter is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this chapter, or who aids and abets any other person in

*the violation of any provision of this chapter, shall be liable under the provisions of this article.*

*(c) Prosecution of a violation of any provision of this chapter shall be commenced within four years after the date of the violation.*

*91147. (a) No person convicted of a misdemeanor under this chapter shall act as a lobbyist, state contractor, run for elective office, or be eligible for appointed office or commission appointment for a period of five years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable. Non-candidate persons convicted for violations of this chapter shall be prohibited from receiving compensation for any electioneering activities or from firms that receive compensation for election activities for a period of five years following the date of conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable.*

*(b) If the court determines that the violation was intentional and involved an amount that had or could have been expected to have a material effect on the outcome of the election, the candidate may be fined up to twenty-five thousand dollars (\$25,000), or imprisoned for up to five years, or both. Any person who is found guilty of any criminal violation of this act shall be sentenced to at a minimum of at least one day and one night in jail.*

*(1) If a candidate is convicted of a misdemeanor violation of any provision of this chapter, the court shall make a determination as to whether the violation had a material effect on the outcome of the election. If the court finds such a material effect, or that a participating candidate spent or incurred more than 10 percent above the Clean Money funding the candidate received from the Clean Money Fund, in addition to any fines specified in this subdivision, the candidate shall repay to the Clean Money Fund an amount up to 10 times the value of the excess, and:*

*(A) if the conviction becomes final before the date of the election, the votes for the candidate shall not be counted, and the election shall be determined on the basis of the votes cast for the other candidates in that race;*

*(B) if the conviction becomes final after the date of the election, and if the candidate was declared to have been elected, then the candidate shall not assume office, the office shall be deemed vacant and shall be filled as otherwise provided by law;*

*(C) if the conviction becomes final after the candidate has assumed office, then the candidate shall be removed from office, the office shall be deemed vacant and shall be filled as otherwise provided by law; and*

*(D) the person convicted shall be ineligible to run for any office for a period of five years after the date of the conviction.*

*(2) If a participating candidate spends or incurs more than the Clean Money funding the candidate is given, and if it is determined by a court not to be an amount that had or could have been expected to have had a material effect on the outcome of the election, then the candidate shall repay to the Clean Money Fund an amount equal to the excess.*

*(c) The same penalties as provided in subdivision (b) of Section 91146 and Section 91147 shall apply for determinations made by the Commission, subject to court review.*

**SEC. 2.** Section 13207 of the Elections Code is amended to read:

**13207.** (a) There shall be printed on the ballot in parallel columns all of the following:



(1) The respective offices.

(2) The names of candidates with sufficient blank spaces to allow the voters to write in names not printed on the ballot.

(A) *Underneath the name of each candidate shall state either: "This candidate is a participant in the public campaign funding system." or "This candidate is not a participant in the public campaign funding system."*

(B) *The Fair Political Practices Commission shall determine which candidates in every election covered by Chapter 12 (commencing with Section 91015) of the Government Code are participating or nonparticipating candidates. The Fair Political Practices Commission shall provide to the Secretary of State the information necessary to satisfy the requirements of this paragraph (2) in a manner that will permit the timely preparation and printing of the ballot. The Secretary of State shall then immediately transmit the information to county election officials.*

(3) Whatever measures have been submitted to the voters.

(b) In the case of a ballot which is intended for use in a party primary and which carries both partisan offices and nonpartisan offices, a vertical solid black line shall divide the columns containing partisan offices, on the left, from the columns containing nonpartisan offices, on the right.

(c) The standard width of columns containing partisan and nonpartisan offices shall be three inches, but an elections official may vary the width of these columns up to 10 percent more or less than the three-inch standard. However, the column containing presidential and vice presidential candidates may be as wide as four inches.

(d) Any measures that are to be submitted to the voters shall be printed in one or more parallel columns to the right of the columns containing the names of candidates and shall be of sufficient width to contain the title and summary of each measure. To the right of each title and summary shall be printed, on separate lines, the words "Yes" and "No."

SEC. 3. Section 82016 of the Government Code is amended to read:

82016. *Controlled Committee*

(a) "Controlled committee" means a committee that is controlled directly or indirectly by a candidate or state measure proponent or that acts jointly with a candidate, controlled committee, or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.

(b) Notwithstanding subdivision (a), a political party committee, as defined in Section 85205 91057, is not a controlled committee.

(c) *For purposes of Section 91137, a candidate shall be deemed to control a ballot measure committee if any of the following, conditions are met:*

(1) *Decisions on how the committee's funds are to be expended are effectively directed by or coordinated with the candidate or his or her agent;*

(2) *The candidate personally solicits contributions to the committee, either telephonically or through direct oral communications with donors; or*

(3) *The candidate appears in broadcast advertisements paid for by the committee at the candidate's behest.*

SEC. 4. Section 82025 of the Government Code is amended to read:

82025. *Expenditure*

(a) "Expenditure" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless

it is clear from the surrounding circumstances that it is not made for political purposes.

(b) *“Expenditure” includes any monetary or nonmonetary payment made by any person that is used:*

(1) *For any communications that expressly advocate the nomination, election or defeat of a clearly identified candidate or candidates, or the qualification, passage or defeat of a clearly identified ballot measure or measures; or*

(2) *For any broadcast, cable, or satellite communications that (A) refer to a clearly identified candidate for elective state office or to a state ballot measure that has qualified to appear on the ballot, (B) are made within 30 days before a primary election or 60 days before a general, special, or special runoff election for the office sought by the candidate or at which the state ballot measure will be voted on, and (C) can be received by 50,000 or more persons in the electoral jurisdiction in which the candidate or ballot measure will be voted on. A candidate is “clearly identified” within the meaning of this subdivision if the communication states his or her name, makes unambiguous reference to his or her office or status as a candidate, or unambiguously describes him or her in any manner. A state ballot measure is “clearly identified” within the meaning of this subdivision if the communication states a proposition number, official title, or popular name associated with the measure, or if the communication refers to the specific subject matter of the measure and either states or refers to the fact that the measure is before the people for a vote.*

(c) *Notwithstanding subdivision (b), “expenditure” does not include the costs for: (A) a communication appearing in a bona fide news story, commentary, or editorial distributed through the facilities of any regularly published newspaper, magazine, periodical of general circulation, or broadcasting station, unless the facilities are owned or controlled by any political party, committee, or candidate; (B) a communication which constitutes a candidate debate or forum, or solely promotes such a debate or forum, and is made by or on behalf of the person or entity sponsoring the debate or forum; (C) a communication in a regularly published newsletter or regularly published periodical, whose circulation is limited to an organization’s members, employees, shareholders, other affiliated individuals, and those who request or purchase the publication; or (D) any other communications exempted under such regulations as the Commission may promulgate to ensure the appropriate implementation of this section consistent with the requirements of this subdivision.*

(d) *“Expenditure” does not include a candidate’s use of his or her own money to pay for either a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code.*

(e) *An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.*

SEC. 5. Section 82031 of the Government Code is amended to read:

82031. *Independent Expenditure*

*“Independent expenditure” means an expenditure, as defined in Section 82025, subdivision (b), made by any person in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to, or at the behest of, or in coordination with the affected candidate or committee.*

SEC. 6. Section 85203 of the Government Code is repealed.

~~85203.—“Small contributor committee” means any committee that meets all of the following criteria:~~

~~(a) The committee has been in existence for at least six months.~~

~~(b) The committee receives contributions from 100 or more persons.~~

~~(c) No one person has contributed to the committee more than two hundred dollars (\$200) per calendar year.~~

~~(d) The committee makes contributions to five or more candidates.~~

~~SEC. 6.1. Section 85205 of the Government Code is repealed.~~

~~85205.—“Political party committee” means the state central committee or county central committee of an organization that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections Code.~~

~~SEC. 6.2. Section 85206 of the Government Code is repealed.~~

~~85206.—“Public moneys” has the same meaning as defined in Section 426 of the Penal Code.~~

~~SEC. 6.3. Section 85300 of the Government Code is repealed.~~

~~85300.—No public officer shall expend and no candidate shall accept any public moneys for the purpose of seeking elective office.~~

~~SEC. 6.4. Section 85302 of the Government Code is repealed.~~

~~85302.—(a) A small contributor committee may not make to any candidate for elective state office other than a candidate for statewide elective office, and a candidate for elective state office, other than a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than six thousand dollars (\$6,000) per election.~~

~~(b) Except to a candidate for Governor, a small contributor committee may not make to any candidate for statewide elective office and except for a candidate for Governor, a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than ten thousand dollars (\$10,000) per election.~~

~~(c) A small contributor committee may not make to any candidate for Governor, and a candidate for governor may not accept from a small contributor committee, any contribution totaling more than twenty thousand dollars (\$20,000) per election.~~

~~SEC. 6.5. Section 85303 of the Government Code is repealed.~~

~~85303.—(a) A person may not make to any committee, other than a political party committee, and a committee other than a political party committee may not accept, any contribution totaling more than five thousand dollars (\$5,000) per calendar year for the purpose of making contributions to candidates for elective state office.~~

~~(b) A person may not make to any political party committee, and a political party committee may not accept, any contribution totaling more than twenty-five thousand dollars (\$25,000) per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state office. Notwithstanding Section 85312, this limit applies to contributions made to a political party used for the purpose of making expenditures at the behest of a candidate for elective state office for communications to party members related to the candidate’s candidacy for elective state office.~~

~~(c) Except as provided in Section 85310, nothing in this chapter shall limit a person’s contributions to a committee or political party committee provided the contributions are used for purposes other than making contributions to candidates for elective state office.~~

~~(d) Nothing in this chapter limits a candidate for elected state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election related activities or holding office to a political party committee, provided those transferred contributions are used for purposes consistent with paragraph (4) of subdivision (b) of Section 89519.~~

SEC. 6.6. Section 85304 of the Government Code is repealed.

~~85304. (a) A candidate for elective state office or an elected state officer may establish a separate account to defray attorney's fees and other related legal costs incurred for the candidate's or officer's legal defense if the candidate or officer is subject to one or more civil or criminal proceedings or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental activities and duties. These funds may be used only to defray those attorney fees and other related legal costs.~~

~~(b) A candidate may receive contributions to this account that are not subject to the contribution limits set forth in this article. However, all contributions shall be reported in a manner prescribed by the commission.~~

~~(c) Once the legal dispute is resolved, the candidate shall dispose of any funds remaining after all expenses associated with the dispute are discharged for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.~~

SEC. 6.7. Section 85305 of the Government Code is repealed.

~~85305. A candidate for elective state office or committee controlled by that candidate may not make any contribution to any other candidate for elective state office in excess of the limits set forth in subdivision (a) of Section 85301.~~

SEC. 7. Section 85306 of the Government Code is amended to read:

85306. *Transfer of Funds from One Controlled Committee to Controlled Committee of Same Candidate; Attribution to Specific Contributors; Funds in Possession Before Specified Dates*

~~(a) A candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same candidate. Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 85301 or 85302.~~

~~(b) Notwithstanding subdivision (a),~~ *a* (a) A candidate for elective state office, other than a candidate for statewide elective office, who possesses campaign funds on January 1, 2001, may use those funds to seek elective office without attributing the funds to specific contributors.

~~(c) Notwithstanding subdivision (a),~~ *a* (b) A candidate for statewide elective office who possesses campaign funds on November 6, 2002, may use those funds to seek elective office without attributing the funds to specific contributors.

~~(c) Notwithstanding Section 91137, a candidate may transfer funds without limitation from one ballot measure committee controlled by the candidate to another ballot measure committee controlled by the same candidate.~~

SEC. 8. Section 85314 of the Government Code is repealed.

~~85314. The contribution limits of this chapter apply to special elections and apply to special runoff elections. A special election and a special runoff election are separate elections for purposes of the contribution and voluntary expenditure limits set forth in this chapter.~~

SEC. 8.1. Section 85317 of the Government Code is repealed.

~~85317.—Notwithstanding subdivision (a) of Section 85306, a candidate for elective state office may carry over contributions raised in connection with one election for elective state office to pay campaign expenditures incurred in connection with a subsequent election for the same elective state office.~~

SEC. 8.2. Section 85318 of the Government Code is repealed.

~~85318.—A candidate for elective state office may raise contributions for a general election prior to the primary election, and for a special general election prior to a special primary election, for the same elective state office if the candidate sets aside these contributions and uses these contributions for the general election or special general election. If the candidate for elective state office is defeated in the primary election or special primary election, or otherwise withdraws from the general election or special general election, the general election or special general election funds shall be refunded to the contributors on a pro rata basis less any expenses associated with the raising and administration of general election or special general election contributions. Notwithstanding Section 85201, candidates for elective state office may establish separate campaign contribution accounts for the primary and general elections or special primary and special general elections.~~

SEC. 8.3. Section 85400 of the Government Code is repealed.

~~85400.—(a) A candidate for elective state office, other than the Board of Administration of the Public Employees' Retirement System, who voluntarily accepts expenditure limits may not make campaign expenditures in excess of the following:~~

~~(1) For an Assembly candidate, four hundred thousand dollars (\$400,000) in the primary or special primary election and seven hundred thousand dollars (\$700,000) in the general or special general election.~~

~~(2) For a Senate candidate, six hundred thousand dollars (\$600,000) in the primary or special primary election and nine hundred thousand dollars (\$900,000) in the general or special general election.~~

~~(3) For a candidate for the State Board of Equalization, one million dollars (\$1,000,000) in the primary election and one million five hundred thousand dollars (\$1,500,000) in the general election.~~

~~(4) For a statewide candidate other than a candidate for Governor or the State Board of Equalization, four million dollars (\$4,000,000) in the primary election and six million dollars (\$6,000,000) in the general election.~~

~~(5) For a candidate for Governor, six million dollars (\$6,000,000) in the primary election and ten million dollars (\$10,000,000) in the general election.~~

~~(b) For purposes of this section, "campaign expenditures" has the same meaning as "election-related activities" as defined in clauses (i) to (vi), inclusive, and clause (viii) of subparagraph (C) of paragraph (2) of subdivision (b) of Section 82015.~~

~~(c) A campaign expenditure made by a political party on behalf of a candidate may not be attributed to the limitations on campaign expenditures set forth in this section.~~

SEC. 8.4. Section 85401 of the Government Code is repealed.

~~85401.—(a) Each candidate for elective state office shall file a statement of acceptance or rejection of the voluntary expenditure limits set forth in Section 85400 at the time he or she files the statement of intention specified in Section 85200.~~

~~(b) A candidate may, until the deadline for filing nomination papers set forth in Section 8020 of the Elections Code, change his or her statement of acceptance or rejection of voluntary expenditure limits provided he or she has not exceeded the voluntary expenditure limits. A candidate may not change his or her statement of acceptance or rejection of voluntary expenditure limits more than twice after the candidate's initial filing of the statement of intention for that election and office.~~

~~(c) Any candidate for elective state office who declined to accept the voluntary expenditure limits but who nevertheless does not exceed the limits in the primary, special primary, or special election, may file a statement of acceptance of the expenditure limits for a general or special runoff election within 14 days following the primary, special primary, or special election.~~

~~(d) Notwithstanding Section 81004.5 or any other provision of this title, a candidate may not change his or her statement of acceptance or rejection of voluntary expenditure limits other than as provided for by this section and Section 85402.~~

SEC. 8.5. Section 85402 of the Government Code is repealed.

85402.—(a) Any candidate for elective state office who has filed a statement accepting the voluntary expenditure limits is not bound by those limits if an opposing candidate contributes personal funds to his or her own campaign in excess of the limits set forth in Section 85400.

~~(b) The commission shall require by regulation timely notification by candidates for elective state office who make personal contributions to their own campaign.~~

SEC. 8.6. Section 85403 of the Government Code is repealed.

85403.—Any candidate who files a statement of acceptance pursuant to Section 85401 and makes campaign expenditures in excess of the limits shall be subject to the remedies in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000).

SEC. 8.7. Section 85501 of the Government Code is repealed.

85501.—A controlled committee of a candidate may not make independent expenditures and may not contribute funds to another committee for the purpose of making independent expenditures to support or oppose other candidates.

SEC. 8.8. Section 85600 of the Government Code is repealed.

85600.—The Secretary of State shall designate in the state ballot pamphlet those candidates for statewide elective office, as defined in Section 82053, who have voluntarily agreed to the expenditure limitations set forth in Section 85400. Local elections officers shall designate in the voter information portion of the sample ballot those candidates for State Senate and Assembly who have voluntarily agreed to the expenditure limitations set forth in Section 85400.

SEC. 8.9. Section 85601 of the Government Code is repealed.

85601.—(a) A candidate for statewide elective office, as defined in Section 82053, who accepts the voluntary expenditure limits set forth in Section 85400 may purchase the space to place a statement in the state ballot pamphlet that does not exceed 250 words. The statement may not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets.

~~(b) Notwithstanding subdivision (c) of Section 88001 of this code or subdivision (e) of Section 9084 of the Elections Code, on and after November 6, 2002, the Secretary of State may not include in the state ballot pamphlet a~~



statement from a candidate who has not voluntarily agreed to the expenditure limitations set forth in Section 85400.

~~(c) A candidate for State Senate or Assembly who accepts the voluntary expenditure limits set forth in Section 85400 may purchase the space to place a statement in the voter information portion of the sample ballot that does not exceed 250 words. The statement may not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with the timeframes and procedures set forth in the Elections Code for the preparation of the voter information portion of the sample ballot.~~

SEC. 8.10. Section 85702 of the Government Code is repealed.

~~85702.—An elected state officer or candidate for elected state office may not accept a contribution from a lobbyist, and a lobbyist may not make a contribution to an elected state officer or candidate for elected state office, if that lobbyist is registered to lobby the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer.~~

SEC. 9. Section 23151 of the Revenue and Taxation Code is amended to read:

23151. *Imposition of privilege tax; Rates*

(a) With the exception of banks and financial corporations, every corporation doing business within the limits of this state and not expressly exempted from taxation by the provisions of the Constitution of this state or by this part, shall annually pay to the state, for the privilege of exercising its corporate franchises within this state, a tax according to or measured by its net income, to be computed at the rate of 7.6 percent upon the basis of its net income for the next preceding income year, or if greater, the minimum tax specified in Section 23153.

(b) For calendar or fiscal years ending after June 30, 1973, the rate of tax shall be 9 percent instead of 7.6 percent as provided by subdivision (a).

(c) For calendar or fiscal years ending in 1980 to 1986, inclusive, the rate of tax shall be 9.6 percent.

(d) For calendar or fiscal years ending in 1987 to 1996, inclusive, and for any income year beginning before January 1, 1997, the tax rate shall be 9.3 percent.

(e) For any income year beginning on or after January 1, 1997, the tax rate shall be 8.84 percent. The change in rate provided in this subdivision shall be made without proration otherwise required by Section 24251.

(f) (1) For the first taxable year beginning on or after January 1, 2000, the tax imposed under this section shall be the sum of both of the following:

(A) A tax according to or measured by net income, to be computed at the rate of 8.84 percent upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.

(B) A tax according to or measured by net income, to be computed at the rate of 8.84 percent upon the basis of the net income for the first taxable year beginning on or after January 1, 2000, but not less than the minimum tax specified in Section 23153.

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2000, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate of 8.84 percent upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

(g) (1) For the first taxable year beginning on or after January 1, 2007, the tax imposed under this section shall be the sum of both of the following:



(A) A tax according to or measured by net income, to be computed at the rate of 9.04 percent upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.

(B) A tax according to or measured by net income, to be computed at the rate of 9.04 percent upon the basis of the net income for the first taxable year beginning on or after January 1, 2007, but not less than the minimum tax specified in Section 23153.

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2007, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate of 9.04 percent upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

SEC. 9.1. Section 23181 of the Revenue and Taxation Code is amended to read:

23181. *Annual tax on banks*

(a) Except as otherwise provided herein, an annual tax is hereby imposed upon every bank doing business within the limits of this state according to or measured by its net income, upon the basis of its net income for the next preceding income year at the rate provided under Section 23186.

(b) If a bank commences to do business and ceases doing business in the same taxable year, the tax for such taxable year shall be according to or measured by its net income for such year, at the rate provided under Section 23186.

(c) With respect to a bank, other than a bank described in subdivision (b), which ceases doing business after December 31, 1972, the tax for the taxable year of cessation shall be:

(1) According to or measured by its net income for the next preceding income year, to be computed at the rate prescribed in Section 23186, plus

(2) According to or measured by its net income for the income year during which the bank ceased doing business, to be computed at the rate prescribed in Section 23186.

(d) In the case of a bank which ceased doing business before January 1, 1973, but dissolves or withdraws on such date or thereafter, the tax for the taxable year of dissolution or withdrawal shall be according to or measured by its net income for the income year during which the bank ceased doing business, unless such income has previously been included in the measure of tax for any taxable year, to be computed at the rate prescribed under Section 23186 for the taxable year of dissolution or withdrawal.

(e) Commencing with income years ending in 1980, every bank shall pay to the state a minimum tax (determined in accordance with Section 23153) or the measured tax imposed on its income, whichever is greater.

(f) (l) For the first taxable year beginning on or after January 1, 2000, the tax imposed under this section shall be the sum of both of the following:

(A) A tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.

(B) A tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for the first taxable year beginning on or after January 1, 2000, but not less than the minimum tax specified in Section 23153.

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2000, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

*(g) (1) For the first taxable year beginning on or after January 1, 2007, the tax imposed under this section shall be the sum of both of the following:*

*(A) A tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.*

*(B) A tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for the first taxable year beginning on or after January 1, 2007, but not less than the minimum tax specified in Section 23153.*

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2007, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

SEC. 9.2. Section 23183 of the Revenue and Taxation Code is amended to read:

23183. *Financial corporations; Annual tax; Measurement by income; Rate*

(a) For taxable years beginning before January 1, 2000, an annual tax is hereby imposed upon every financial corporation doing business within the limits of this state and taxable under the provisions of Section 27 of Article XIII of the Constitution of this state, for the privilege of exercising its corporate franchises within this state, according to or measured by its net income, upon the basis of its net income for the next preceding income year at the rate provided under Section 23186.

(b) For purposes of this article, the term “financial corporation” does not include any corporation, including a wholly owned subsidiary of a bank or bank holding company, if the principal business activity of such entity consists of leasing tangible personal property.

(c) (1) For the first taxable year beginning on or after January 1, 2000, the tax imposed under this section shall be the sum of both of the following:

(A) A tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.

(B) A tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for the first taxable year beginning on or after January 1, 2000, but not less than the minimum tax specified in Section 23153.

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2000, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate provided under Section 23186 upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

*(d) (1) For the first taxable year beginning on or after January 1, 2007, the tax imposed under this section shall be the sum of both of the following:*

(A) A tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for the next preceding income year, but not less than the minimum tax specified in Section 23153.

(B) A tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for the first taxable year beginning on or after January 1, 2007, but not less than the minimum tax specified in Section 23153.

(2) Except as provided in paragraph (1), for taxable years beginning on or after January 1, 2007, the tax imposed under this section shall be a tax according to or measured by net income, to be computed at the rate of 11.04 percent upon the basis of the net income for that taxable year, but not less than the minimum tax specified in Section 23153.

SEC. 9.3. Section 23501 of the Revenue and Taxation Code is amended to read:

23501. *Annual tax imposed; Rates*

(a) There shall be imposed upon every corporation, other than a bank, for each taxable year, a tax at the rate of 7.6 percent upon its net income derived from sources within this state on or after January 1, 1937, other than income for any period for which the corporation is subject to taxation under Chapter 2 (commencing with Section 23101), according to or measured by its net income.

(b) For calendar or fiscal years ending after June 30, 1973, the rate of tax shall be 9 percent instead of 7.6 percent as provided by subdivision (a).

(c) For calendar or fiscal years ending after December 31, 1979, the rate of tax shall be the rate specified for those years by Section 23151.

(d) *For calendar or fiscal years ending after December 31, 2006, the rate of tax shall be the rate specified for those years by Section 23151.*

SEC. 9.4. Section 23811 of the Revenue and Taxation Code is amended to read:

23811. *Tax on passive investment income attributable to California sources*

Except as otherwise provided in this section, there is hereby imposed a tax on passive investment income attributable to California sources, determined in accordance with the provisions of Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, as modified by this section. *For taxable years beginning on or after January 1, 2007, the tax imposed on passive investment income shall be increased from 1.5 percent to 1.66 percent of taxable net passive investment income for the next preceding income year for corporations with over \$50 million dollars in total receipts.*

(a) The tax imposed under this section may not be imposed on an "S corporation" that has no excess net passive income for federal income tax purposes determined in accordance with Section 1375 of the Internal Revenue Code.

(b) (1) The rate of tax shall be equal to the rate of tax imposed under Section 23151 in lieu of Section 11(b) of the Internal Revenue Code.

(2) In the case of an "S corporation" that is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151.

(c) Section 1375(c)(1) of the Internal Revenue Code, relating to credits, is modified to provide that the tax imposed under subdivision (a) may not be reduced by any credits allowed under this part.

(d) The term "subchapter C earnings and profits" or "accumulated earnings and profits" as used in Section 1375 of the Internal Revenue Code shall mean the

“subchapter C earnings and profits” of the corporation attributable to California sources determined under this part, modified as provided in subdivision (e).

(e) (1) In the case of a corporation that is an “S corporation” for purposes of this part for its first taxable year for which it has in effect a valid federal S election, there shall be allowed as a deduction in determining that corporation’s “subchapter C earnings and profits” at the close of any taxable year the amount of any consent dividend (as provided in paragraph (2)) paid after the close of that taxable year.

(2) In the event there is a determination that a corporation described in paragraph (1) has “subchapter C earnings and profits” at the close of any taxable year, that corporation shall be entitled to distribute a consent dividend to its shareholders. The amount of the consent dividend may not exceed the difference between the corporation’s “subchapter C earnings and profits” determined under subdivision (d) at the close of the taxable year with respect to which the determination is made and the corporation’s “subchapter C earnings and profits” for federal income tax purposes at the same date. A consent dividend must be paid within 90 days of the date of the determination that the corporation has “subchapter C earnings and profits.” For this purpose, the date of a determination means the effective date of a closing agreement pursuant to Section 19441, the date an assessment of tax imposed by this section becomes final, or the date of execution by the corporation of an agreement with the Franchise Tax Board relating to liability for the tax imposed by this section. For purposes of Part 10 (commencing with Section 17001), Part 10.2 (commencing with Section 18401), and this part, a corporation must make the election provided in Section 1368(e)(3) of the Internal Revenue Code.

(3) If a corporation distributes a consent dividend, it shall claim the deduction provided in paragraph (1) by filing a claim therefor with the Franchise Tax Board within 120 days of the date of the determination specified in paragraph (2).

(4) The collection of tax imposed by this section from a corporation described in paragraph (2) shall be stayed for 120 days after the date of the determination specified in paragraph (2). If a claim is filed pursuant to paragraph (3), collection of that tax shall be further stayed until the date the claim is acted upon by the Franchise Tax Board.

(5) If a claim is filed pursuant to paragraph (3), the running of the statute of limitations on the making of assessments and actions for collection of the tax imposed by this section shall be suspended for a period of two years after the date of the determination specified in paragraph (2).

SEC. 10. Section 24586 is added to the Revenue and Taxation Code, to read:

24586. (a) *The Franchise Tax Board shall annually determine the total amount of the fees generated by increases in the tax rates for tax years beginning January 1, 2007, and thereafter pursuant to Revenue and Taxation Code Sections 23151, 23181, 23183, 23501, and 23811, and notify the Controller of that amount.*

(b) *The Controller shall transfer the amount determined under subdivision (a), less the direct, actual costs of the Franchise Tax Board and the Controller for the collection and administration of funds under this article, to the California Clean Money Fund, established pursuant to Section 91133 of the Government Code, for use in funding clean and fair elections for non-federal statewide and state legislative elections. Upon appropriation by the Legislature, the Controller shall transfer the amount of reimbursement for direct actual costs incurred by*

*the Franchise Tax Board and the Office of the Controller in the administration of this fund.*

*(c) All funds deposited in the California Clean Money Fund shall be allocated, in accordance with Section 91133 of the Government Code, to the Fair Political Practices Commission for disbursement for the purposes and in the manner described in Section 91133 of the Government Code.*

*(d) This section shall remain in effect so long as Chapter 12 (commencing with Section 91015) of Title 9 of the Government Code, also known as the California Clean Money and Fair Elections Act of 2006, requires the establishment and maintenance of the California Clean Money Fund.*

SEC. 11. 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. 12. This chapter shall be deemed to amend the Political Reform Act of 1974 as amended and all of its provisions that do not conflict with this chapter shall apply to the provisions of this chapter.

SEC. 13. Severability

(a) The provisions of this act are severable. If any provision or portion of provision of this act or the application of any provision of this act to any person or circumstance is held to be invalid by a court of competent jurisdiction, that invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application.

(b) In adopting this measure, the People specifically declare that the provision of this act adding Section 91139 to the the Government Code shall be severable from the remainder of this act, and the People specifically declare their desire and intent to enact the remainder of this act even if that provision were not to be given full or partial effect. The People recognize that a Montana law prohibiting corporate contributions or expenditures in connection with a ballot measure election was invalidated in 2000 by a divided panel of the Ninth Circuit Court of Appeals in *Montana Chamber of Commerce v. Argenbright*, but believe that the majority opinion in that case incorrectly interpreted relevant decisions of the United States Supreme Court in this area and that more recent decisions of the Supreme Court support the People's rationale for limiting corporate campaign spending in order to eliminate the distorting effects of corporate wealth on the electoral process. Moreover, the People are adopting the prohibitions in this act based upon an evidentiary record and history of California ballot measure elections that compellingly demonstrates the need for the narrowly tailored restrictions contained herein.

SEC. 14. Construction and Amendment

This act shall be broadly construed to accomplish its purposes. This act may be amended to further its purposes by a statute, passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring and signed by the Governor, if at least 12 days prior to passage in each house the bill in its final form has been delivered to the California Fair Political Practices Commission for distribution to the news media and to every person who has requested the Commission to send copies of such bills to him or her. Any such amendment must be consistent with the purposes and must further the intent of

this act. Notwithstanding this provision, amendments to adjust for changes in the cost of living may be made pursuant to Section 91145.

SEC. 15. Effective Date

This act shall become effective immediately upon its approval by the voters and shall apply to all elections held on or after January 1, 2007.

SEC. 16. Conflicting Ballot Measures

(a) If a conflict exists between the provisions of this measure and the provisions of any other measure approved by the voters at the same election, the provisions of this measure shall take effect except to the extent that they are in direct and irreconcilable conflict with the provisions of such other measure and the other measure receives a greater number of affirmative votes.

(b) If any provisions of this measure are superseded by the provisions of any other conflicting ballot measure approved by the voters and receiving a greater number of affirmative votes at the same election, and the conflicting ballot measure is subsequently held to be invalid, the provisions of this measure shall be self-executing and shall be given full force of law.

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## LIST OF OFFICERS

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**LIST OF OFFICERS**  
**2006**  
**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**

Susan P. Kennedy.....	Chief of Staff
Timothy Simon.....	Appointments Secretary
John Davies.....	Judicial Appointments Secretary
Fred Aguiar.....	Cabinet Secretary
Andrea Hoch.....	Legal Affairs
Richard Costigan.....	Deputy Chief of Staff & Legislative Affairs
Margita Thompson.....	Press Secretary
Delette Olberg.....	Director of Scheduling
Adam Mendelsohn.....	Deputy Chief of Staff Communications
Sean Walsh.....	Director of Planning & Research
Vacant.....	Director of Advance

Offices: State Capitol, Sacramento 95814

**STATE BOARD OF EQUALIZATION**  
**450 N Street, Sacramento 95814**

Name	Office	Residence
Betty T. 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

**LEGISLATIVE DEPARTMENT**

**UNITED STATES SENATORS**

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

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

**REPRESENTATIVES IN CONGRESS**

Name	Party	District	Counties	Main District Office*
Baca, Joe .....	D	43	San Bernardino.....	201 N.E. Street, Suite 102 San Bernardino 92401
Becerra, Xavier .....	D	31	Los Angeles.....	1910 Sunset Blvd., #560 Los Angeles 90026
Berman, Howard L. ....	D	28	Los Angeles.....	14546 Hamlin St., Suite 202 Van Nuys 91411
Bilbray, Brian P. ....	R	50	San Diego.....	462 Stevens Ave., Suite 107 Solana Beach 92075
Bono, Mary .....	R	45	Riverside .....	707 E. 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; 26111 Antonio Pky., Suite 300 Las Flores 92688
Campbell, John .....	R	48	Orange.....	One Newport Place, Suite 1010 Newport Beach 92660; 610 Newport Center Drive, Suite 330 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; 1010 10th St., Suite 5800 Modesto 95354
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

**REPRESENTATIVES IN CONGRESS—Continued**

Name	Party	District	Counties	Main District Office*
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; 485 Alisal Road, Suite G-1A Solvang 93463
Harman, Jane .....	D	36	Los Angeles.....	2321 E. Rosecrans Ave., Suite 3270 El Segundo 90245
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.....	1870 Cordell Ct., Suite 206 El Cajon 92020
Issa, Darrell E. ....	R	49	Riverside, San Diego.....	1800 Thibodo Road, Suite 310 Vista 92083
Lantos, Tom .....	D	12	San Francisco, San Mateo.....	400 S. El Camino Real, #410 San Mateo 94402
Lee, Barbara .....	D	9	Alameda.....	1301 Clay St., #1000N Oakland 94612
Lewis, Jerry .....	R	41	Riverside, San Bernardino .....	1150 Brookside Ave., #J-5 Redlands 92373
Lofgren, Zoe .....	D	16	Santa Clara.....	635 N. First St., Suite B San Jose 95112
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
McCarthy, Kevin.....	R	22	Kern, Los Angeles, San Luis Obispo.....	1523 Longworth HOB, Washington, D.C. 20515
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
McNerney, Jerry.....	R	11	Alameda, Contra Costa, San Joaquin, Santa Clara....	312 Cannon HOB, Washington, D.C. 20515
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
Pelosi, Nancy .....	D	8	San Francisco.....	450 Golden Gate Ave., 14th Floor San Francisco 94102
Radanovich, George P. ..	R	19	Fresno, Madera, Mariposa, Stanislaus, Tuolumne .....	1040 E. Herndon, Suite 201 Fresno 93720; 121 Main St., Suite D Turlock 95380

**REPRESENTATIVES IN CONGRESS—Continued**

Name	Party	District	Counties	Main District Office*
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.....	17906 Crusader Ave., Suite 100 Cerritos 90703
Sanchez, Loretta .....	D	47	Orange.....	12397 Lewis St., #101 Garden Grove 92840
Schiff, Adam B. ....	D	29	Los Angeles.....	87 N. Raymond Ave., Suite 800 Pasadena 91103
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
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

\* 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; 2400 Washington Ave., Suite 301, Redding 96001 Ph: (530) 225-3142
Ackerman, Dick .....	Attorney .....	R	33	Orange.....	17821 E. 17th Street, Suite 180, Tustin 92780 Ph: (714) 573-1853
Alquist, Elaine .....	Educator .....	D	13	Santa Clara .....	100 Paseo de San Antonio, Suite 209, San Jose 95113 Ph: (408) 286-8318
Ashburn, Roy .....	Full-time Legislator.....	R	18	Inyo, Kern, San Bernardino, Tulare .....	5001 California Ave., Suite 105, Bakersfield 93309 Ph: (661) 323-0443
Battin, Jim .....	Businessman .....	R	37	Riverside .....	13800 Heacock, Suite C112, Moreno Valley 92553 Ph: (951) 653-9502; 73-710 Fred Waring Drive, Suite 112, Palm Desert 92260 Ph: (760) 568-0408
Calderon, Ron .....	Full-time Legislator.....	D	30	Los Angeles.....	400 N. Montebello Blvd., Suite 100, Montebello 90640. Ph: (323) 890-2790
Cedillo, Gilbert .....	Full-time Legislator.....	D	22	Los Angeles.....	617 S. Olive St., Suite 710, Los Angeles 90014 Ph: (213) 612-9566
Cogdill, Dave .....	Private Business Owner.....	R	14	Fresno, Madera, Mariposa, San Joaquin, Stanislaus, Tuolumne .....	4974 E. Clinton, Suite 100, Fresno 93727 Ph: (559) 253-7122; 1308 W. Main St., Suite B, Ripon 95366 Ph: (209) 599-8540
Corbett, Ellen .....	Attorney .....	D	10	Alameda, Santa Clara .....	43081 Mission Blvd., Suite 103, Fremont 94539 Ph: (510) 413-5960
Correa, Lou .....	Full-time Legislator.....	D	34	Orange.....	12397 Lewis St., Suite 103, Garden Grove 92840
Cox, Dave .....	Businessman/ Legislator.....	R	1	Alpine, Amador, Calaveras, El Dorado, Lassen, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, Sierra .....	33C Broadway, Jackson 95642. Ph: (209) 223-9140; 1020 N St., Room 568, Sacramento 95814 Ph: (916) 327-9034; 2140 Professional Drive, Suite 140, Roseville 95661 Ph: (916) 783-8232; 2094 E. Main St., Quincy 95971. Ph: (530) 283-3437
Denham, Jeff.....	Agriculture Business .....	R	12	Madera, Merced, Monterey, San Benito, Stanislaus .....	1640 N St., Suite 210, Merced 95340 Ph: (209) 726-5495; 1231 8th St., Suite 175, Modesto 95354 Ph: (209) 577-6592; 369 Main St., #208, Salinas 93901 Ph: (831) 769-8040

**MEMBERS OF THE SENATE – Continued**

Name	Occupation	Party	Dist.	Counties	District Address
Ducheny, Denise Moreno.....	Attorney .....	D	40	Imperial, Riverside, San Diego .....	637 3rd Ave., Suite C, Chula Vista 91910 Ph: (619) 409-7690; 53-990 Enterprise Way, Suite 14, Coachella 92236 Ph: (760) 398-6442; 1224 State St., Suite D, El Centro 92243 Ph: (760) 335-3442
Dutton, Robert. ....	Small Business Owner.....	R	31	Riverside, San Bernardino.....	8577 Haven Ave., Suite 210, Rancho Cucamonga 91730 Ph: (909) 466-4180; 3560 University Ave., Riverside 92501 Ph: (951) 715-2625
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
Harman, Tom.....	Attorney .....	R	35	Orange.....	950 S. Coast Drive, Suite 240, Costa Mesa 92626 Ph: (714) 957-4555
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
Kehoe, Christine ....	Full-time Legislator.....	D	39	San Diego.....	2445 Fifth Ave., Suite 200, San Diego 92101 Ph: (619) 645-3133
Kuehl, Sheila James	Full-time Legislator.....	D	23	Los Angeles, Ventura .....	10951 W. Pico Blvd., #202, Los Angeles 90064 Ph: (310) 441-9084; 300 W. Third Street, Oxnard 93030 Ph: (805) 486-3776
Lowenthal, Alan ....	Professor .....	D	27	Los Angeles.....	115 Pine Ave., Suite 430, Long Beach 90802 Ph: (562) 495-4766
Machado, Mike .....	Farmer/ Businessman...	D	5	Sacramento, San Joaquin, Solano, Yolo .....	1020 N Street, Suite 506, Sacramento 95814 Ph: (916) 323-4306; 31 E. Channel St., Room 440, Stockton 95202 Ph: (209) 948-7930; 1010 Nut Tree Road, Suite 185, Vacaville 95687 Ph: (707) 454-3808
Maldonado, Abel ....	Businessman ....	R	15	Monterey, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz .....	590 Calle Principal, Monterey 93940 Ph: (831) 657-3675; 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
Margett, Bob .....	Businessman .....	R	29	Los Angeles, Orange, San Bernardino.....	2605 E. Foothill Blvd., Suite A, Glendora 91740 Ph: (626) 914-5046
McClintock, Tom ....	Budget Reduction Analyst .....	R	19	Los Angeles, Santa Barbara, Ventura .....	223 E. Thousand Oaks Blvd., Suite 326, Thousand Oaks 91360. Ph: (805) 494-8808



## MEMBERS OF THE SENATE—Continued

Name	Occupation	Party	Dist.	Counties	District Address
Migden, Carole .....	Full-time Legislator.....	D	3	Marin, San Francisco, Sonoma.....	3501 Civic Center, Room 425, San Rafael 94903 Ph: (415) 479-6612; 455 Golden Gate Ave., Suite 14800, San Francisco 94102. Ph: (415) 557-1300
Negrete McLeod, Gloria .....	Full-time Legislator.....	D	32	Los Angeles, San Bernardino.....	4959 Palo Verde St., Suite 100B, Montclair 91763 Ph: (909) 621-2783
Oropeza, Jenny.....	Full-time Legislator.....	D	28	Los Angeles.....	2512 Artesia Blvd., Suite 200, Redondo Beach 90278. Ph: (310) 318-6994
Padilla, Alex.....	Full-time Legislator.....	D	20	Los Angeles.....	6150 Van Nuys Blvd., Suite 400, Van Nuys 91401 Ph: (818) 901-5588
Perata, Don .....	Speaker pro Tempore/ Teacher .....	D	9	Alameda, Contra Costa.....	1515 Clay St., Suite 2202 Oakland 94612 Ph: (510) 286-1333; 300 S. Spring St., Suite 8501, Los Angeles 90013 Ph: (213) 620-3000
Ridley-Thomas, Mark.....	Full-time Legislator.....	D	26	Los Angeles.....	Administrative Offices East, 700 State Drive, Los Angeles 90037 Ph: (213) 745-6656
Romero, Gloria .....	Professor .....	D	24	Los Angeles.....	149 S. Mednik Avenue, Suite 202, Los Angeles 90022 Ph: (323) 881-0100
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, PO Box 5001, 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
Simitian, Joseph .....	Full-time Legislator.....	D	11	San Mateo, Santa Clara, Santa Cruz .	160 Town and Country Village, Palo Alto 94301 Ph: (650) 688-6384; 701 Ocean Street, Room 318A, Santa Cruz 95060 Ph: (831) 425-0401
Steinberg, Darrell....	Attorney .....	D	6	Sacramento.....	1020 N St., Suite 576 Sacramento 95814 Ph: (916) 324-4937
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
Wiggins, Patricia "Pat".....	Full-time Legislator.....	D	2	Humboldt, Lake, Mendocino, Napa, Solano, Sonoma ...	710 E St., Suite 150, Eureka 95501 Ph: (707) 445-6508; 50 D St., Suite 120A, Santa Rosa 95404 Ph: (707) 576-2771; 444 Georgia St., Vallejo 94590. Ph: (707) 648-5312

**MEMBERS OF THE SENATE – Continued**

Name	Occupation	Party	Dist.	Counties	District Address
Wyland, Mark.....	Full-time Legislator.....	R	38	Orange, San Diego..	27126A Paseo Espada, Suite 1621, San Juan Capistrano 92675. Ph: (949) 489-9838; 1910 Palomar Point Way, Suite 105, Carlsbad 92008 Ph: (760) 931-2455
Yee, Leland .....	Child Psychologist ...	D	8	San Francisco, San Mateo .....	455 Golden Gate Ave., Suite 14200, San Francisco 94102. Ph: (415) 557-7857; 400 S. El Camino Real, Suite 630, San Mateo 94402. Ph: (650) 340-8840

**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, Jr .....	3030 State Capitol
Chaplain .....	Rev. James D. Richardson.....	3044 State Capitol
Chief Assistant Secretary .....	David Valverde.....	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
Adams, Anthony..	Full-time Legislator.....	R	59	4015	Los Angeles, San Bernardino.....	14955 Dale Evans Pky., Room 111, Apple Valley 92307 135 W. Lemon Ave., Suite A, Monrovia 91016
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
Alarcon, Richard	City Councilman	D	39	5119	Los Angeles.....	120 N. Maclay Ave., Suite E, San Fernando 91340
Anderson, Joel ...	Businessman .....	R	77	2111	San Diego.....	500 Fesler St., Suite 201, El Cajon 92020
Arambula, Juan ...	Legislator .....	D	31	2141	Fresno, Tulare .....	2550 Mariposa Mall, Room 5031, Fresno 93721
Bass, Karen .....	Legislator .....	D	47	319	Los Angeles.....	5750 Wilshire Blvd., Suite 565, Los Angeles 90036
Beall, Jr., Jim .....	Full-time Legislator.....	D	24	5016	Santa Clara.....	100 Paseo de San Antonio, Suite 319, San Jose 95113
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; 311 N. State St., Ukiah 95482
Berryhill, Tom ....	Small Businessman....	R	25	4116	Calaveras, Madera, Mariposa, Mono, Stanislaus, Tuolumne .....	1912 Standiford Ave., Suite 4, Modesto 95350
Blakeslee, Sam ...	Legislator .....	R	33	4117	San Luis Obispo, Santa Barbara.....	1104 Palm St., San Luis Obispo 93401; 509 W. Morrison Ave., Suite 9, Santa Maria 93458
Brownley, Julia ...	Marketing Management.....	D	41	6011	Los Angeles, Ventura .....	6355 Topanga Canyon Blvd., Suite 205, Woodland Hills 91367
Caballero, Anna ..	Attorney .....	D	28	3132	Monterey, San Benito, Santa Clara, Santa Cruz.....	365 Fourth St., Hollister 95023; 100 W. Alisal St., Suite 134, Salinas 93901; 231 Union St., Watsonville 95077
Calderon, Charles	Attorney .....	D	58	2117	Los Angeles.....	13181 N. Crossroads Pky., Suite 160, City of Industry 91746
Carter, Wilmer Amina .....	Businesswoman...	D	62	2175	San Bernardino.....	201 N. E St., Suite 205, San Bernardino 92401
Cook, Paul .....	College Professor	R	65	5126	Riverside, San Bernardino.....	34932 Yucaipa Blvd., Yucaipa 92399
Coto, Joe .....	Legislator .....	D	23	2013	Santa Clara.....	100 Paseo De San Antonio, Suite 300, San Jose 95113

## MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Davis, Mike .....	Full-time Legislator.....	D	48	2160	Los Angeles.....	Administrative Offices West, 700 State Drive, Los Angeles 90037; 694 S. Oxford Ave., 2nd Floor, Los Angeles 90005
De La Torre, Hector .....	Legislator .....	D	50	3173	Los Angeles.....	8724 Garfield Ave., Suite 104, South Gate 90280
De León, Kevin ...	Full-time Legislator.....	D	45	4140	Los Angeles.....	106 N. Ave. 56, Los Angeles 90042
DeSaulnier, Mark	Small Business Owner.....	D	11	4162	Contra Costa.....	420 W. Third St., Antioch 94531
DeVore, Chuck ...	Legislator .....	R	70	4102	Orange.....	3 Park Plaza, Suite 275, Irvine 92614
Duvall, Michael D. "Mike" .....	Insurance Broker.....	R	72	4177	Orange.....	210 W. Birch St., Suite 202, Brea 92821
Dymally, Mervyn M. ....	University Professor.....	D	52	6005	Los Angeles.....	322 W. Compton Blvd., Suite 100, Compton 90220
Emmerson, Bill. .	Legislator .....	R	63	4158	Riverside, San Bernardino....	10681 Foothill Blvd., Suite 325, Rancho Cucamonga 91730
Eng, Mike .....	College Professor/ Attorney.....	D	49	6025	Los Angeles.....	1255 Corporate Center Drive, Suite PH 9, Monterey Park 91754
Evans, Noreen ....	Legislator .....	D	7	3152	Napa, Solano, Sonoma.....	1040 Main St., Suite 205, Napa 94559; 50 D St., Suite 301, Santa Rosa 95404; 1713 Sonoma Blvd., Vallejo 94591
Feuer, Mike .....	Attorney/Educator	D	42	4005	Los Angeles.....	9200 Sunset Blvd., PH 15, West Hollywood 90069
Frommer, Dario ..	Legislator/ Majority Floor Leader.....	D	43	319	Los Angeles.....	620 N. Brand Blvd., Suite 403, Glendale 91203
Fuller, Jean .....	Property Manager .....	R	32	3098	Kern, San Bernardino....	4900 California Ave., Suite 100B, Bakersfield 93309
Gaines, Ted .....	Business Owner ..	R	4	2002	Alpine, El Dorado, Placer, Sacramento	1700 Eureka Road, Suite 160, Roseville 95661
Galgiani, Cathleen .....	Full-time Legislator.....	D	17	2170	Merced, San Joaquin, Stanislaus .....	806 W. 18th St., Merced 95340; 31 E. Channel St., Suite 306, Stockton 95202
Garcia, Bonnie ....	Businesswoman...	R	80	4009	Imperial, Riverside..	68-700 Avenida Lalo Guerrero, Suite B, Cathedral City 92234; 1450 S. Imperial Ave., El Centro 92243
Garrick, Martin ...	Business Owner ..	R	74	2016	San Diego.....	1910 Palomar Point Way, Suite 106, Carlsbad 92008
Hancock, Loni ....	Legislator .....	D	14	4126	Alameda, Contra Costa.....	712 El Cerrito Plaza, El Cerrito 94530
Hayashi, Mary ....	Health Care Director .....	D	18	2188	Alameda.....	22320 Foothill Blvd., Suite 540, Hayward 94541
Hernandez, Edward P. ....	Optometrist .....	D	57	4112	Los Angeles.....	13181 N. Crossroads Pky., Suite 160, City of Industry 91746
Horton, Shirley ...	Businesswoman...	R	78	2174	San Diego.....	7144 Broadway, Lemon Grove 91945

## MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
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	4098	Los Angeles, Orange, San Bernardino.....	23355 E. Golden Springs Drive, Diamond Bar 91765
Huffman, Jared ...	Attorney .....	D	6	4139	Marin, Sonoma.....	3501 Civic Center Dr., Room 412, San Rafael 94903; 50 D St., Suite 305, Santa Rosa 95404
Jeffries, Kevin .....	Investor/Fire Department Manager .....	R	66	5128	Riverside, San Diego	41391 Kalmia St., Suite 220 Murrieta 92562
Jones, Dave .....	Attorney/ Legislator.....	D	9	3146	Sacramento.....	915 L St., Suite 110, Sacramento 95814
Karnette, Betty ...	Legislator .....	D	54	2136	Los Angeles.....	3711 Long Beach Blvd., Suite 801, Long Beach 90807
Keene, Rick .....	Attorney .....	R	3	2158	Butte, Lassen, Nevada, Placer, Plumas, Sierra, Yuba .....	1550 Humboldt Road, Suite 4, Chico 95928
Krekorian, Paul ...	Attorney .....	D	43	5135	Los Angeles.....	620 N. Brand Blvd., Suite 403, Glendale 91203
La Malfa, Doug ..	Farmer.....	R	2	4164	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
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	2114	San Francisco.....	455 Golden Gate Ave., Suite 14300, San Francisco 94102
Levine, Lloyd E. ..	Legislator .....	D	40	5136	Los Angeles.....	6150 Van Nuys Blvd., Suite 300, Van Nuys 91401
Lieber, Sally J. ....	Legislator/ Speaker pro Tempore.....	D	22	3013	Santa Clara.....	274 Castro St., Suite 202, Mountain View 94041
Lieu, Ted W. ....	Attorney .....	D	53	4016	Los Angeles.....	1700 E. Walnut Ave., Suite 601, El Segundo 90245
Ma, Fiona .....	CPA.....	D	12	2176	San Francisco, San Mateo .....	455 Golden Gate Ave., Suite 14600, San Francisco 94102
Maze, Bill .....	Building Contractor/ Farmer .....	R	34	5160	Inyo, Kern, San Bernardino, Tulare .....	5959 S. Mooney, Visalia 93277
Mendoza, Tony ...	Elementary School Teacher .....	D	56	5144	Los Angeles, Orange.....	12501 E. Imperial Hwy., Suite 210, Norwalk 90650
Mullin, Gene .....	Educator .....	D	19	2163	San Mateo .....	1528 S. El Camino Real, Suite 302, San Mateo 94402

**MEMBERS OF THE ASSEMBLY—Continued**

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Nakanishi, Alan ..	Physician .....	R	10	5175	Amador, El Dorado, Sacramento, Santa Barbara .....	218 W. Pine Street, Lodi 95240
Nava, Pedro .....	Legislator .....	D	35	2148	Santa Barbara, Ventura .....	101 W. Anapamu St., Suite A, Santa Barbara 93101; 201 E. Fourth St., Suite 209A, Oxnard 93030
Niello, Roger .....	Legislator .....	R	5	6027	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
Parra, Nicole .....	Legislator .....	D	30	5155	Fresno, Kern, Kings, Tulare .....	601 24th Street, Suite A, Bakersfield 93301; 321 N. Douty St., Suite B, Hanford 93230
Plescia, George A. ....	Legislator .....	R	75	3141	San Diego.....	9909 Mira Mesa Blvd., Suite 130, San Diego 92131
Portantino, Anthony .....	Legislator .....	D	44	2003	Los Angeles.....	215 N. Marengo Ave., Suite 115, Pasadena 91101
Price, Jr., Curren D. ....	Educator/Business Consultant .....	D	51	2179	Los Angeles.....	One Manchester Blvd., Suite 601, PO Box 6500, Inglewood 90301
Richardson, Laura .....	Full-time Legislator/ Assistant Speaker pro Tempore.....	D	55	3126	Los Angeles.....	One Civic Plaza, Suite 460, Carson 90745
Runner, Sharon ...	Businesswoman...	R	36	5158	Los Angeles, San Bernardino.....	747 W. Lancaster Blvd., Lancaster 93534; 14343 Civic Drive, Victorville 92392
Ruskin, Ira .....	Legislator .....	D	21	3123	San Mateo, Santa Clara .....	5050 El Camino Real, Suite 117, Los Altos 94022
Salas, Mary .....	Full-time Legislator.....	D	79	2137	San Diego.....	678 Third Avenue, Suite 105, Chula Vista 91910
Saldaña, Lori .....	Legislator .....	D	76	5150	San Diego.....	1557 Columbia St., San Diego 92101
Silva, Jim .....	Educator/Realtor	R	67	3149	Orange.....	17011 Beach Blvd., Suite 570, Huntington Beach 92647
Smyth, Cameron .....	Government/ Public Relations Consultant .....	R	38	4153	Los Angeles, Ventura .....	23734 Valencia Blvd., Suite 303, Santa Clarita 91355
Solorio, Jose .....	Full-time Legislator.....	D	69	2196	Orange.....	2400 E. Katella Ave., Suite 640, Anaheim 92806
Soto, Nell .....	Full-time Legislator.....	D	61	3091	Los Angeles, San Bernardino.....	822 N. Euclid Ave., Ontario 91762
Spitzer, Todd .....	Attorney .....	R	71	5164	Orange, Riverside...	1940 N. Tustin St., Suite 102, Orange 92865
Strickland, Audra .....	Full-time Legislator.....	R	37	4208	Los Angeles, Ventura .....	2659 Townsgate Rd., Suite 236, Westlake Village 91361
Swanson, Sandre R. ....	Retirement Trustee .....	D	16	6012	Alameda .....	1515 Clay St., Suite 2204, Oakland 94612
Torrico, Alberto ..	Legislator .....	D	20	3160	Alameda, Santa Clara .....	39510 Paseo Padre Pky., Suite 280, Fremont 94538

**MEMBERS OF THE ASSEMBLY—Continued**

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Tran, Van .....	Legislator .....	R	68	4130	Orange.....	1503 S. Coast Drive, Suite 205, Costa Mesa 92626
Villines, Michael N. ....	Legislator/ Minority Floor Leader.....	R	29	3104	Fresno, Madera, Tulare .....	6245 N. Fresno St., Suite 106, Fresno 93710
Walters, Marian ..	Legislator .....	R	73	6031	Orange, San Diego..	30012 Ivy Glenn Drive, Suite 120, Laguna Niguel 92677; 302 N. Coast Hwy., Oceanside 92054
Wolk, Lois .....	Teacher.....	D	8	3120	Solano, Yolo .....	555 Mason Street, Suite 275, Vacaville 95688

**OFFICERS OF THE ASSEMBLY**

Name	Title	Mailing Address
Núñez, Fabian .....	Speaker.....	320 W. 4th Street, Room 1050, Los Angeles 90013
Lieber, Sally .....	Speaker pro Tempore .....	274 Castro St., Suite 202, Mountain View 94041
Frommer, Dario .....	Majority Floor Leader....	620 N. Brand Blvd., Suite 403, Glendale 91203
Villines, Michael .....	Minority Floor Leader....	6245 N. Fresno St., Suite 106, Fresno 93710
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. Carol A. Corrigan.....	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. James A. Richman.....	Associate Justice

#### DIVISION THREE

Hon. William R. McGuiness.....	Admin. Presiding Justice
Hon. Joanne C. Parrilli.....	Associate Justice
Hon. Stuart R. Pollak.....	Associate Justice
Hon. Peter Siggins.....	Associate Justice

#### DIVISION FOUR

Hon. Ignazio J. Ruvolo.....	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. Mark B. Simons.....	Associate Justice
Hon. Linda M. Gemello.....	Associate Justice
Vacant.....	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  
 Hon. Victoria M. Chavez ..... 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 L. Willhite, Jr. .... Associate Justice  
 Hon. Daniel A. Curry ..... Associate Justice  
 Vacant ..... 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 G. 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 A. Richli.....	Associate Justice
Hon. Art W. McKinster.....	Associate Justice
Hon. Jeffrey King.....	Associate Justice
Vacant.....	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. Rebecca A. Wiseman.....	Associate Justice
Hon. Gene M. Gomes.....	Associate Justice
Vacant.....	Associate Justice
Leisa Biggers.....	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 C. Duffy.....	Associate Justice
Hon. Nathan D. Mihara.....	Associate Justice
Hon. Richard J. McAdams.....	Associate Justice
Michael 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  
Rachelle Chong ..... Commissioner  
Geoffrey Brown ..... Commissioner  
Steve Larson ..... 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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**TABLE OF LAWS ENACTED**

**TABLE OF RESOLUTIONS AND  
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2005–06 FIRST EXTRAORDINARY SESSION  
2005–06 SECOND EXTRAORDINARY SESSION

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1	—	1026	Kuehl (Coauthors: Assembly Members Pavley and Levine)	28	146	—	Nunez
2	132	—	Nunez (Principal coauthor: Assembly Member McCarthy) (Principal coauthors: Senators Ackerman and Perata) (Coauthor: Assembly Member Chan) (Coauthor: Senator Ortiz)	29	273	—	Baca
3	—	517	Romero	30	1540	—	Nunez and Senator Perata
4	—	299	Chesbro (Principal coauthor: Assembly Member Emmerson)	31	1039	—	Nunez and Senator Perata
5	—	283	Maldonado	32	1467	—	Nunez and Senator Perata
6	1129	—	Mountjoy (Principal coauthor: Senator Bowen) (Coauthors: Assembly Members Bogh and Emmerson) (Coauthors: Senators Battin, Dunn, Poochigian, and McClintock)	33	140	—	Nunez and Senator Perata
7	—	1233	Perata (Principal coauthor: Senator Ackerman) (Principal coauthors: Assembly Members McCarthy and Nunez) (Coauthor: Senator Ortiz) (Coauthor: Assembly Member Chan)	34	142	—	Nunez and Senator Perata
8	—	912	Ducheny and Runner (Principal coauthors: Senators Aanestad and Perata) (Coauthors: Senators Bowen, Chesbro, Cox, and Romero) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Berg, Bogh, Chan, Chu, De La Torre, Emmerson, Hancock, Lieu, McCarthy, Montanez, Nakanishi, Nation, Richman, and Strickland)	35	127	—	Nunez and Senator Perata
9	64	—	Cohn (Coauthor: Senator Murray)	36	—	201	Simitian (Principal coauthor: Senator Maldonado) (Principal coauthor: Assembly Member Parra) (Coauthor: Senator Denham) (Coauthors: Assembly Members Baca, Berg, Bermudez, Pavley, and Saldana)
10	424	—	Calderon (Principal coauthor: Senator Alquist)	37	—	1121	Committee on Local Government (Kehoe (Chair), Ackerman, Cox, Kuehl, Machado, McClintock, Perata, Soto, and Torlakson)
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20	—	699	Soto (Principal coauthors: Senators Kehoe, Kuehl, and Migden) (Principal coauthors: Assembly Members Goldberg, Laird, and Leno) (Coauthors: Senators Alarcon, Murray, and Vincent) (Coauthors: Assembly Members Dymally and Richman)	47	1801	—	Laird
21	—	841	Hollingsworth	48	1811	—	Laird
22	—	663	Migden (Coauthor: Senator Machado) (Coauthor: Assembly Member Jones)	49	1809	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)
23	—	144	Runner	50	318	—	Dymally
24	813	—	Nunez (Principal coauthor: Senator Perata) (Coauthor: Assembly Member Baca)	51	—	504	Torlakson
25	—	1266	Perata (Principal coauthor: Assembly Member Nunez)	52	—	1239	Hollingsworth
26	—	409	Kehoe (Principal coauthor: Senator Ducheny) (Principal coauthor: Assembly Member De La Torre)	53	—	1241	Cox
27	—	1689	Perata (Principal coauthor: Assembly Member Nunez)	54	—	1491	Kuehl
				55	1810	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)
				56	—	1132	Committee on Budget and Fiscal Review
				57	—	1183	Ackerman
				58	—	1214	Committee on Human Services (Senators Alquist (Chair), Aanestad, Chesbro, Maldonado, and Romero)
				59	—	1327	Soto
				60	—	1364	Battin
				61	—	1403	Scott (Coauthors: Senators Aanestad and Bowen) (Coauthors: Assembly Members Emmerson, Oropeza, and Pavley)
				62	—	1636	Ackerman
				63	—	1137	Ducheny
				64	—	1305	Figueroa
				65	—	1385	Vincent
				66	—	1559	Lowenthal
				67	—	1618	McClintock

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68	—	1844	Committee on Natural Resources and Water (Senators Kuehl (chair), Aanestad, Kehoe, Lowenthal, Machado, Margett, and Migden)	90	2439	—	Klehs
69	1806	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	91	2559	—	Benoit
70	2001	—	Cogdill	92	2615	—	Tran, Bermudez, and Spitzer (Coauthors: Assembly Members Daucher, DeVore, Harman, Huff, Umberg, and Walters)
71	2111	—	Haynes	93	2648	—	Matthews
72	—	1486	Hollingsworth	94	2705	—	Spitzer (Coauthors: Assembly Members Benoit, Bermudez, Cogdill, Cohn, Daucher, DeVore, Harman, Huff, Mountjoy, Tran, Umberg, Walters, and Wyland) (Coauthors: Senators Ackerman and Morrow)
73	—	1597	Denham	95	2885	—	Plescica
74	1807	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	96	886	—	Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair), Bass, Frommer, Koretz, Maze, Nation, Tran, Vargas, and Yee)
75	1808	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	97	1708	—	DeVore (Principal coauthor: Assembly Member Torrico) (Coauthors: Assembly Members Shirley Horton, Huff, Maze, and Mountjoy)
76	—	1448	Kuehl	98	1893	—	Salinas
77	1803	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	99	1907	—	Lieu
78	1805	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	100	1994	—	Leslie
79	1802	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	101	2007	—	Nava
80	1203	—	Mullin	102	2056	—	Aghazarian
81	1781	—	Mountjoy (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Bass, Berg, Blakeslee, Calderon, Canciamilla, Cohn, Coto, DeVore, Emmerson, Evans, Harman, Haynes, Houston, Huff, Jones, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Montanez, Nakanishi, Nunez, Parra, Plescica, Ridley-Thomas, Sharon Runner, Ruskin, Strickland, Torrico, Tran, Vargas, Villines, and Wolk)	103	2091	—	Berg
82	1787	—	Cohn	104	2136	—	Vargas
83	1834	—	Garcia (Principal coauthor: Senator Battin)	105	2403	—	DeVore (Coauthor: Assembly Member Shirley Horton)
84	2042	—	Spitzer	106	2457	—	Nakanishi
85	2083	—	Vargas (Principal coauthors: Assembly Members Shirley Horton, Pavley, and Saldana)	107	2602	—	Lieu
86	2126	—	Lieu and Leno	108	2684	—	Montanez (Coauthors: Assembly Members Chan, Coto, Jones, Koretz, Laird, Lieber, Mullin, and Pavley)
87	2164	—	La Suer	109	2764	—	Wyland
88	2236	—	Ruskin	110	2903	—	Huff
89	2257	—	Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair), Bass, Frommer, Koretz, Maze, Nation, Tran, Vargas, and Yee)	111	2932	—	Chan (Principal coauthor: Senator Florez)
				112	3072	—	Committee on Insurance (Vargas (Chair), Benoit (Vice Chair), Calderon, Karmette, Nava, and Umberg)
				113	782	—	Mullin
				114	2073	—	Matthews
				115	2087	—	Benoit
				116	2120	—	Liu
				117	2240	—	Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)
				118	2244	—	Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)
				119	2292	—	Montanez
				120	2366	—	Sharon Runner
				121	2438	—	Chu
				122	2456	—	Nakanishi
				123	2658	—	Harman
				124	2796	—	Mountjoy
				125	2811	—	Plescica
				126	2872	—	Huff
				127	272	—	Parra (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Arambula and Villines)

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			(Coauthors: Senators Ashburn and Florez)	164	1794	—	DeVore
128	1744	—	Committee on Health (Chan (Chair), Aghazarian (Vice Chair), Berg, Cohn, Frommer, Gordon, Jones, Montanez, Ridley-Thomas, and Strickland)	165	2301	—	Committee on Judiciary (Jones (Chair), Evans, Laird, Levine, Lieber, and Montanez)
129	2407	—	Salinas (Principal coauthor: Assembly Member Benoit) (Coauthors: Assembly Members Bermudez, Canciamilla, Chavez, Coto, Karnette, Levine, Matthews, Torrico, Walters, and Yee)	166	2335	—	Saldana
130	2853	—	Salinas	167	2618	—	Berg
131	2950	—	Daucher	168	2652	—	Laird
132	—	1	Murray (Principal coauthor: Assembly Member Levine) (Coauthors: Senators Alquist, Chesbro, Ducheny, and Kehoe) (Coauthors: Assembly Members Bermudez, Blakeslee, Chan, Cohn, Garcia, Koretz, Laird, Leno, Lieber, Nation, Pavley, Saldana, Wolk, and Yee)	169	2736	—	Niello
133	—	1232	Runner	170	2850	—	Spitzer
134	—	1652	Vincent	171	2897	—	Daucher
135	—	1846	Committee on Natural Resources and Water (Senators Kuehl (Chair), Aanestad, Kehoe, Lowenthal, Machado, Margett, and Migden)	172	3074	—	Committee on Local Government (Salinas (Chair), Emmerson (Vice Chair), De La Torre, Houston, Lieber, Nation, and Wolk)
136	733	—	Nation	173	—	221	Runner
137	1946	—	Nava	174	—	1122	Committee on Local Government (Kehoe (Chair), Ackerman, Cox, Kuehl, Machado, McClintock, Perata, Soto, and Torlakson)
138	2517	—	Tran	175	—	1123	Committee on Local Government (Kehoe (Chair), Ackerman, Cox, Kuehl, Machado, McClintock, Perata, Soto, and Torlakson)
139	—	604	Aanestad	176	—	1461	Florez
140	—	1179	Morrow	177	—	1583	Kuehl (Principal coauthors: Assembly Members Koretz and Pavley) (Coauthor: Senator Bowen) (Coauthor: Assembly Member Goldberg)
141	—	1247	Runner	178	—	1760	Bowen
142	—	1296	Kehoe (Coauthor: Senator Ducheny) (Coauthors: Assembly Members Shirley Horton, Plescia, and Vargas)	179	—	3	Torlakson
143	—	1294	Ducheny (Principal coauthor: Assembly Member Garcia) (Coauthor: Senator Kehoe)	180	—	532	Torlakson
144	—	1344	Chesbro	181	—	1198	Florez
145	—	1462	Cox	182	—	1441	Kuehl
146	—	1714	Margett	183	—	1605	Margett
147	49	—	Benoit	184	—	1842	Migden
148	1382	—	Nakanishi	185	588	—	Goldberg and Koretz
149	1793	—	Bermudez (Coauthors: Assembly Members Bass, Chan, Chu, Shirley Horton, Koretz, Lieu, Maze, Tran, Vargas, and Yee)	186	1333	—	Frommer (Coauthors: Assembly Members Jerome Horton and Plescia) (Coauthor: Senator Morrow)
150	2455	—	Nakanishi	187	1995	—	Koretz
151	2875	—	Pavley (Coauthor: Assembly Member Jones) (Coauthor: Senator Kuehl)	188	2100	—	Laird (Coauthor: Assembly Member Mullin)
152	—	1258	Battin and Ashburn	189	2154	—	Goldberg
153	—	1285	Aanestad (Coauthor: Assembly Member Nakanishi)	190	2293	—	Nava (Coauthors: Assembly Members Koretz, Lieber, and Maze)
154	—	1298	Murray	191	2358	—	Saldana
155	—	1579	Committee on Elections, Reapportionment and Constitutional Amendments (Senators Bowen (Chair), Battin, Murray, Poochigian, and Romero)	192	2372	—	Pavley
156	—	1654	Ortiz	193	2753	—	De La Torre
157	—	1801	Ducheny	194	2751	—	Wyland
158	2581	—	Yee and Nation	195	2755	—	Blakeslee
159	2613	—	Mullin (Principal coauthor: Senator Scott)	196	2815	—	Bogh
160	—	1390	Poochigian	197	2882	—	De La Torre
161	773	—	Mullin	198	3073	—	Committee on Utilities and Commerce (Levine (Chair), Blakeslee (Vice Chair), Baca, Cohn, De La Torre, Jerome Horton, Montanez, and Ridley-Thomas)
162	959	—	Frommer	199	790	—	Yee
163	1784	—	Chu	200	2165	—	La Suer (Coauthors: Assembly Members Chavez, Harman, Koretz, La Malfa, and Strickland)
				201	2890	—	Ridley-Thomas
				202	—	1609	Simitian (Principal coauthor: Assembly Member Wolk)
				203	1910	—	Aghazarian
				204	2002	—	La Malfa
				205	2740	—	La Malfa

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
206	2777	—	Huff	234	—	1436	Figueroa
207	2893	—	Mountjoy (Coauthors: Assembly Members Haynes, Huff, La Malfa, La Suer, and Maze) (Coauthors: Senators Dutton and Runner)	235	2226	—	Garcia (Coauthors: Assembly Members Coto and Wyland)
208	2196	—	Spitzer (Coauthor: Assembly Member Maze)	236	2384	—	Leno (Coauthor: Senator Alquist)
209	1369	—	Nunez	237	386	—	Lieber
210	—	357	Perata (Principal coauthor: Assembly Member Nunez)	238	1458	—	De La Torre
211	172	—	Chan (Principal coauthor: Senator Escutia) (Coauthors: Assembly Members Berg, Bermudez, Cohn, Coto, Evans, Hancock, Jones, Koretz, Leno, Lieber, Liu, Montanez, Mullin, Nava, Parra, Pavley, Ruskin, Salinas, and Yee) (Coauthors: Senators Figueroa, Florez, Kuehl, Lowenthal, and Ortiz)	239	2930	—	Laird
212	326	—	Blakeslee	240	2936	—	Ridley-Thomas
213	1482	—	Canciamilla	241	—	162	Ortiz and Runner (Principal coauthor: Senator Perata) (Principal coauthors: Assembly Members Nakanishi and Richman) (Coauthors: Senators Alquist, Kuehl, and Torlakson) (Coauthors: Assembly Members Aghazarian, Berg, DeVore, Shirley Horton, Jones, Koretz, Lieber, Nava, Niello, and Sharon Runner)
214	1959	—	Tran	242	—	372	Margett
215	2034	—	Spitzer	243	—	511	Hollingsworth
216	2241	—	Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)	244	—	535	Runner
217	2390	—	Committee on Utilities and Commerce (Levine (Chair), Bogh (Vice Chair), Blakeslee, Cohn, De La Torre, Jerome Horton, Montanez, and Ridley-Thomas)	245	—	710	Torlakson
218	2619	—	Daucher (Coauthors: Assembly Members DeVore, Huff, Spitzer, Tran, and Umberg) (Coauthor: Senator Ackerman)	246	—	775	Cox
219	2664	—	Houston	247	—	1052	Kehoe (Coauthor: Senator Aanestad) (Coauthor: Assembly Member Keene)
220	2720	—	Spitzer	248	—	1169	Cox
221	2864	—	Harman	249	—	1307	Poochigian
222	2868	—	Bogh (Coauthor: Assembly Member Cohn)	250	—	1367	Ducheny
223	—	1438	Figueroa	251	—	1400	Kehoe
224	—	1607	Machado	252	—	1449	Migden (Principal coauthor: Assembly Member Klehs)
225	1996	—	Bogh	253	—	1474	Figueroa
226	2135	—	Vargas	254	—	1481	Poochigian
227	2225	—	Mountjoy (Coauthors: Assembly Members Bogh, Cogdill, Daucher, DeVore, Huff, La Suer, Maze, Niello, Spitzer, Strickland, Tran, Villines, and Wyland) (Coauthor: Senator Battin)	255	—	1536	Cox (Coauthors: Assembly Members Leslie, Nakanishi, and Niello)
228	2612	—	Plescica	256	—	1629	Speier (Principal coauthor: Assembly Member Lieber) (Coauthor: Assembly Member Karnette)
229	1165	—	Bogh	257	—	1742	Machado
230	1835	—	Lieber, Leno, and Koretz (Principal coauthor: Senator Cedillo) (Coauthors: Assembly Members Bermudez, Calderon, Dymally, Evans, Frommer, Goldberg, Jones, Klehs, Laird, Levine, Liu, Nation, Pavley, Ruskin, and Torrico) (Coauthors: Senators Alquist, Bowen, Maldonado, Romero, Soto, and Torlakson)	258	—	1749	Migden
231	—	750	Soto	259	—	1850	Committee on Health (Senators Ortiz (Chair), Aanestad, Alquist, Chesbro, Cox, Figueroa, Kuehl, Maldonado, and Runner)
232	2330	—	Arambula	260	343	—	Huff
233	3058	—	Committee on Jobs, Economic Development, and the Economy (Arambula (Chair), Houston (Vice Chair), Baca, Canciamilla, Garcia, and Liu)	261	350	—	Houston (Coauthor: Senator Torlakson)
				262	372	—	Nation
				263	463	—	Tran (Principal coauthor: Senator Margett)
				264	1319	—	Liu
				265	1423	—	Bogh
				266	1553	—	Evans
				267	1688	—	Niello
				268	1859	—	Leslie
				269	1895	—	Coto
				270	1920	—	Chan
				271	1980	—	Bass
				272	2137	—	Niello and Jones (Coauthor: Senator Cox)
				273	2181	—	Salinas
				274	2272	—	Parra
				275	2324	—	Canciamilla
				276	2342	—	Nakanishi
				277	2369	—	La Suer
				278	2429	—	Negrete McLeod (Principal coauthor: Assembly Member Matthews) (Coauthors: Assembly Members Bermudez, Chavez, Shirley Horton,

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			Houston, Jones, and Koretz) (Coauthor: Senator Cox)	315	1858	—	McCarthy (Coauthor: Senator Florez)
279	2435	—	Coto (Principal coauthor: Assembly Member Cohn) (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Dymally, Ruskin, Salinas, and Torrico) (Coauthors: Senators Ducheny and Maldonado)	316	1880	—	Blakeslee
				317	1890	—	Mountjoy (Coauthors: Assembly Members Benoit, Bogh, DeVore, Garcia, Huff, La Suer, Maze, Nakanishi, Niello, Strickland, Torrico, Tran, Villines, and Wyland) (Coauthors: Senators Hollingsworth, Margett, and Morrow)
280	2568	—	Harman	318	1938	—	Bogh (Principal coauthor: Senator Battin)
281	2533	—	Leno	319	2156	—	Niello
282	2542	—	Daucher	320	2309	—	Negrete McLeod
283	2582	—	Mullin	321	2400	—	Benoit
284	2939	—	Wolk (Coauthors: Assembly Members Jones and Niello) (Coauthors: Senators Cox and Machado)	322	2401	—	Karnette (Coauthor: Senator Lowenthal)
				323	2479	—	Cogdill (Principal coauthors: Assembly Members Berg, Villines, and Yee) (Coauthor: Assembly Member Leslie) (Coauthors: Senators Bowen and Cox)
285	2958	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)	324	2588	—	Sharon Runner
286	2986	—	Mullin	325	2717	—	Walters
287	3017	—	Mullin	326	3041	—	Pavley
288	3011	—	Benoit	327	3070	—	Committee on Health (Chan (Chair), Aghazarian (Vice Chair), Berg, Cohn, Dymally, Frommer, Jones, Lieu, Montanez, Nakanishi, Negrete McLeod, Richman, Ridley-Thomas, and Strickland)
289	3063	—	Committee on Elections and Redistricting (Umberg (Chair), Wyland (Vice Chair), Karnette, Leno, Levine, and Villines)				
290	—	1613	Simitian (Principal coauthor: Assembly Member Garcia) (Coauthors: Assembly Members Berg, Frommer, and Koretz)	328	—	437	Escutia (Principal coauthors: Senators Alquist, Migden, and Perata) (Coauthors: Senators Chesbro, Ducheny, Figueroa, Kuehl, Romero, and Torlakson) (Coauthors: Assembly Members Dymally, Jones, Laird, and Pavley)
291	3035	—	Laird (Principal coauthor: Assembly Member Salinas) (Principal coauthor: Senator Denham) (Coauthor: Senator Maldonado)				
292	—	497	Simitian (Principal coauthors: Assembly Members Nation and Wolk)				
293	—	729	Simitian and Perata	329	576	—	Wolk
294	—	1843	Committee on Natural Resources and Water (Senators Kuehl (Chair), Aanestad, Kehoe, Lowenthal, Machado, Margett, and Migden)	330	1745	—	Chan (Principal coauthor: Senator Perata) (Coauthors: Assembly Members Berg, Jones, and Laird) (Coauthors: Senators Alquist, Bowen, Figueroa, Kuehl, and Ortiz)
295	—	1845	Kuehl				
296	2485	—	Jones and Laird (Coauthors: Assembly Members Berg, Chan, Koretz, Pavley, and Wolk) (Coauthors: Senators Figueroa and Kuehl)	331	1851	—	Coto
				332	1948	—	Montanez (Coauthor: Senator Figueroa)
297	2773	—	Berg	333	2379	—	Chan (Coauthors: Assembly Members Aghazarian, Berg, Cohn, Emmerson, Jones, and Nakanishi) (Coauthor: Senator Dunn)
298	2972	—	Nava				
299	1381	—	Nunez (Principal coauthor: Assembly Member Frommer) (Principal coauthors: Senators Perata and Romero)	334	2560	—	Ridley-Thomas (Coauthors: Assembly Members Chan, Coto, Dymally, Hancock, Lieber, Mullin, Pavley, Torrico, and Yee) (Coauthor: Senator Torlakson)
300	—	369	Simitian (Coauthor: Senator Alquist)	335	2651	—	Jones
301	—	562	Torlakson	336	—	1178	Speier (Coauthor: Assembly Member Spitzer)
302	—	579	Aanestad	337	—	1128	Alquist (Principal coauthor: Senator Poochigian) (Coauthor: Senator Perata) (Coauthors: Assembly Members Nunez, Cohn, Frommer, Leslie, and Lieu)
303	—	896	Runner				
304	—	933	Machado	338	1015	—	Chu and Spitzer (Coauthors: Assembly Members Bermudez, Chavez, Evans, Shirley Horton, Garcia, Goldberg, Jones, Lieber, Negrete McLeod, Torrico, and Vargas) (Coauthors: Senators Alquist and Soto)
305	—	1229	Florez				
306	—	1261	McClintock	339	1683	—	Shirley Horton
307	—	1273	Soto (Principal coauthor: Senator Alquist)	340	1900	—	Lieu (Coauthors: Assembly Members Shirley Horton, Karnette, Koretz,
308	—	1324	Lowenthal (Coauthor: Assembly Member Daucher)				
309	—	1347	Machado				
310	—	1560	Battin				
311	—	1586	Lowenthal				
312	—	1810	Dunn				
313	307	—	Chavez				
314	1316	—	Salinas and Cohn (Coauthor: Assembly Member Parra) (Coauthor: Senator Chesbro)				

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			Spitzer, and Vargas) (Coauthor: Senator Denham)	379	3061	—	Committee on Elections and Redistricting (Umberg (Chair), Wyland (Vice Chair), Karnette, Leno, Levine, and Villines)
341	2263	—	Spitzer (Coauthors: Assembly Members Baca, Bermudez, Bogh, Cogdill, Cohn, Daucher, DeVore, Garcia, Shirley Horton, Huff, La Malfa, La Suer, Lieu, Maze, Mountjoy, Nakanishi, Strickland, Villines, Walters, and Wyland) (Coauthors: Senators Battin, Cox, Dutton, Harman, and Morrow)	380	—	638	Torlaksen and Ashburn (Coauthors: Senators Alquist, Denham, Lowenthal, Romero, Simitian, and Soto) (Coauthors: Assembly Members Chan, Goldberg, Hancock, Pavley, and Saldana)
342	117	—	Cohn	381	409	—	Yee
343	970	—	Torrico	382	1979	—	Bass
344	1813	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	383	2195	—	Bass
			Vargas	384	2216	—	Bass and Maze (Coauthor: Senator Alquist)
345	1909	—	De La Torre	385	2480	—	Evans
346	1986	—	La Suer	386	2488	—	Leno
347	2367	—	Berg	387	2985	—	Maze (Coauthor: Assembly Member Bass)
348	2059	—	Harman	388	—	1641	Soto
349	2147	—	Houston	389	—	1667	Kuehl
350	2198	—	Salinas	390	—	56	Dunn (Principal coauthor: Senator Ducheny) (Principal coauthor: Assembly Member Jones) (Coauthors: Assembly Members Benoit, Bermudez, Bogh, and Emmerson)
351	2223	—	Emmerson (Principal coauthor: Assembly Member Levine) (Coauthors: Assembly Members Leno and Spitzer)	391	—	258	Chesbro (Coauthors: Assembly Members Berg, Chan, Jones, and Ridley-Thomas)
352	2239	—	Evans	392	—	420	Simitian
353	2291	—	Laird and Salinas	393	—	475	Runner
354	2348	—	Maze (Coauthors: Assembly Members Cogdill, Houston, La Suer, Leslie, Richman, and Spitzer)	394	—	559	Torlaksen
355	2351	—	Torrico	395	—	1040	Dunn and Hollingsworth
			Harman	396	—	1200	Hollingsworth
356	2416	—	Sharon Runner	397	—	1270	Chesbro (Principal coauthor: Senator Alquist) (Coauthor: Senator Romero)
357	2482	—	Laird	398	—	1277	Alquist
358	2579	—	Blakeslee (Principal coauthor: Senator Maldonado)	399	—	1283	Chesbro
359	2650	—	Parra	400	—	1396	Denham
360	2701	—	Leslie	401	—	1490	Ducheny (Coauthors: Senators Figueroa, Florez, and Scott) (Coauthor: Assembly Member Garcia)
361	2711	—	Torrico	402	—	1577	Romero
362	2733	—	Harman	403	—	1701	Migden
363	2867	—	Sharon Runner	404	—	1733	Aanestad (Coauthor: Assembly Member Aghazarian)
364	3076	—	Laird	405	—	1847	Committee on Banking, Finance and Insurance (Senators Speier (Chair), Cox, Denham, Florez, Hollingsworth, Lowenthal, Machado, Maldonado, Murray, Romero, and Scott)
			Blakeslee (Principal coauthor: Senator Maldonado)	406	87	—	Bermudez (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Benoit, Daucher, DeVore, Emmerson, Leslie, Mountjoy, Parra, and Sharon Runner) (Coauthor: Senator Machado)
365	—	432	Alquist	407	162	—	Leslie
366	—	490	Lowenthal	408	368	—	Evans
367	—	667	Migden	409	393	—	Frommer
368	—	746	Vincent	410	594	—	Karnette
369	—	777	Soto	411	861	—	Bass
370	—	974	Committee on Environmental Quality (Senators Lowenthal (Chair), Campbell, Chesbro, Cox, Escutia, Figueroa, Kuehl, Runner, and Simitian)	412	1122	—	Wyland
371	—	1131	Committee on Budget and Fiscal Review	413	1433	—	Emmerson and Laird (Coauthors: Assembly Members Daucher, Jerome Horton, Nakanishi, Richman, Ridley-Thomas, Saldana, and Wolk) (Coauthors: Senators Aanestad, Alquist, Ducheny, and Figueroa)
372	—	1276	Committee on Elections, Reapportionment and Constitutional Amendments (Senators Bowen (Chair), Battin, Murray, Poochigian, and Romero)				
373	—	1341	Cedillo				
374	—	1425	Kuehl (Coauthor: Assembly Member Strickland)				
375	—	1610	Simitian and Ashburn				
376	2038	—	Tran				
377	—	1348	Battin				
378	2430	—	Umberg (Coauthor: Assembly Member Leno)				

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414	1667	—	Saldana	445	—	51	Migden
415	1681	—	Pavley (Coauthors: Assembly Members Chan and Goldberg)	446	—	463	Ducheny
416	1992	—	Canciamilla	447	—	503	Figueroa
417	2182	—	Mullin (Coauthor: Assembly Member Wolk)	448	—	727	Lowenthal (Coauthor: Assembly Member Karnette)
418	2318	—	Calderon	449	—	1224	Chesbro and Aanestad (Coauthor: Assembly Member Torrico)
419	2557	—	Huff and Mountjoy	450	—	1237	Maldonado
420	2630	—	Benoit	451	—	1282	Ducheny
421	2675	—	Strickland	452	—	1452	Speier
422	2685	—	Cogdill	453	—	1724	Runner
423	2715	—	Sharon Runner	454	84	—	Leslie and Laird
424	2770	—	Wyland (Coauthor: Senator Bowen)	455	573	—	Wolk and Jones (Coauthor: Assembly Member Parra) (Coauthor: Senator Morrow)
425	2804	—	Salinas (Coauthors: Assembly Members Jones and Niello)	456	925	—	Ridley-Thomas
426	2914	—	Leno	457	1293	—	Oropeza (Coauthor: Assembly Member Jones)
427	2945	—	Spitzer	458	1868	—	Bermudez (Principal coauthor: Senator Figueroa) (Coauthors: Assembly Members Koretz, Maze, and Tran)
428	2962	—	Benoit (Principal coauthor: Assembly Member Walters) (Coauthor: Senator Dutton)	459	2011	—	Vargas
429	3020	—	Montanez (Coauthor: Assembly Member Emmerson)	460	2259	—	Salinas
430	—	1349	Soto (Principal coauthor: Assembly Member Koretz) (Coauthor: Assembly Member Benoit)	461	2289	—	Ruskin
431	—	1806	Figueroa (Principal coauthor: Assembly Member Levine)	462	2497	—	Laird
432	2190	—	Benoit and Vargas (Coauthors: Assembly Members Bogh, Chan, Cogdill, Daucher, Harman, Shirley Horton, Huff, La Suer, Maze, Mountjoy, Saldana, Spitzer, and Walters) (Coauthors: Senators Cox and Margett)	463	2105	—	Emmerson
433	—	1542	Migden (Principal coauthor: Assembly Member Ridley-Thomas) (Coauthor: Senator Kuehl) (Coauthor: Assembly Member Mountjoy)	464	—	107	Simittian and Perata (Principal coauthor: Assembly Member Levine) (Coauthors: Assembly Members Blakeslee and Cohn)
434	2923	—	Calderon (Coauthors: Assembly Members Benoit, Jones, Mountjoy, and Spitzer) (Coauthor: Senator Cox)	465	—	247	Perata (Principal coauthors: Assembly Members Nunez and Plescia) (Coauthors: Senators Figueroa, Florez, and Kuehl) (Coauthors: Assembly Members Cohn and Sharon Runner)
435	—	1308	Battin (Coauthor: Assembly Member Leno)	466	—	506	Poochigian (Coauthor: Senator Dunn) (Coauthors: Assembly Members Aghazarian, Bermudez, Garcia, LaSuer, and Mountjoy)
436	—	1442	Escutia	467	—	585	Kehoe (Coauthor: Senator Scott)
437	1535	—	Nunez	468	—	1184	Cedillo
438	1759	—	Umberg (Coauthors: Senators Bowen and Ortiz)	469	—	1686	Kuehl
439	2275	—	Umberg and Frommer (Principal coauthor: Senator Scott)	470	1144	—	Harman (Coauthor: Assembly Member Cohn)
440	2676	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)	471	1925	—	Blakeslee
441	2179	—	Leslie and Koretz (Coauthors: Assembly Members Emmerson and Haynes)	472	2005	—	Emmerson (Coauthors: Assembly Members Garcia, Haynes, Shirley Horton, Huff, Maze, Spitzer, and Strickland) (Coauthors: Senators Aanestad, Battin, and Harman)
442	2941	—	Koretz, Dymally, and Jerome Horton (Coauthors: Assembly Members Bass, Coto, Jones, Keene, Laird, Leno, Leslie, Levine, Mullin, Pavley, Saldana, and Torrico) (Coauthors: Senators Migden, Romero, and Speier)	473	2022	—	Ruskin
443	—	1524	Speier and Poochigian (Principal coauthor: Senator Scott) (Principal coauthor: Assembly Member Frommer) (Coauthor: Assembly Member Goldberg)	474	2129	—	Spitzer (Coauthors: Assembly Members Cohn, Daucher, Garcia, Haynes, Maze, Mountjoy, and Wyland) (Coauthor: Senator Dutton)
444	—	10	Dunn (Principal coauthor: Assembly Member Jones)	475	2169	—	Montanez (Principal coauthor: Senator Bowen)
				476	2695	—	Goldberg (Coauthors: Assembly Members Chan, Cohn, Hancock, Koretz, Leno, Liu, Oropeza, Pavley, Spitzer, and Villines) (Coauthors: Senators Bowen, Kuehl, Migden, and Romero)
				477	2861	—	Ridley-Thomas (Coauthor: Assembly Member Torrico)
				478	2977	—	Mullin (Coauthors: Assembly Members Garcia, Koretz, and Maze)



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479	2139	—	Garcia	501	1749	—	Jerome Horton (Principal coauthor: Senator Ortiz)
480	—	246	Figueroa (Coauthor: Senator Ortiz) (Coauthors: Assembly Members Sharon Runner and Strickland)	502	1889	—	Nava
481	—	603	Ortiz	503	2237	—	Karnette
482	—	1245	Figueroa (Coauthors: Senators Cox, Ducheny, Kuehl, and Romero) (Coauthors: Assembly Members Coto, Dymally, Garcia, and Pavley)	504	2296	—	Montanez
483	—	1260	Ortiz and Runner	505	2343	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)
484	—	1555	Speier (Coauthors: Senators Bowen and Kuehl) (Coauthors: Assembly Members Jones, Koretz, Mullin, and Pavley)	506	2591	—	Keene (Coauthor: Assembly Member Jones)
485	—	1851	Committee on Health (Senators Ortiz (Chair), Aanestad, Alquist, Chesbro, Cox, Figueroa, Kuehl, Maldonado, and Runner)	507	3030	—	Emmerson
486	2251	—	Evans	508	3062	—	Committee on Elections and Redistricting (Umberg (Chair), Wyland (Vice Chair), Karnette, Leno, Levine, and Villines)
487	2583	—	Nation	509	—	682	Migden
488	32	—	Nunez and Pavley (Principal coauthor: Assembly Member Nation) (Coauthors: Assembly Members Arambula, Baca, Bass, Berg, Bermudez, Calderon, Chan, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Jones, Karnette, Klehs, Koretz, Laird, Leno, Levine, Lieber, Lieu, Montanez, Mullin, Nava, Oropeza, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Vargas, Wolk, and Yee) (Coauthors: Senators Alarcon, Bowen, Chesbro, Escutia, Figueroa, Kehoe, Kuehl, Lowenthal, Migden, Romero, Simitian, Soto, Speier, Torlakson, and Vincent)	510	—	989	Committee on Environmental Quality (Senators Lowenthal (Chair), Campbell, Chesbro, Cox, Escutia, Figueroa, Kuehl, Runner, and Simitian)
489	—	1578	Lowenthal (Principal coauthor: Assembly Member Koretz) (Coauthor: Assembly Member Levine)	511	—	1134	Committee on Budget and Fiscal Review
490	—	1116	Scott (Principal coauthor: Assembly Member Jones) (Coauthors: Senators Kuehl and Romero) (Coauthors: Assembly Members Koretz and Pavley)	512	—	1250	Perata (Coauthor: Assembly Member Levine)
491	—	1550	Figueroa (Principal coauthors: Senators Alquist and Scott) (Principal coauthor: Assembly Member Jones)	513	—	1374	Cedillo
492	—	1716	Bowen (Principal coauthor: Assembly Member Jones)	514	2470	—	Ridley-Thomas
493	1363	—	Jones (Principal coauthors: Assembly Members Berg, Canciamilla, Frommer, Karnette, Liu, Montanez, and Nunez) (Principal coauthors: Senators Chesbro and Figueroa) (Coauthors: Assembly Members Arambula, Chu, Cohn, Garcia, Goldberg, Klehs, Koretz, Laird, Leno, Levine, Lieber, Lieu, Parra, Pavley, Saldana, and Spitzer) (Coauthors: Senators Kuehl, Ortiz, and Torlakson)	515	2060	—	De La Torre (Principal coauthor: Assembly Member Torrico) (Coauthors: Assembly Members Coto, Laird, and Pavley)
494	2550	—	Blakeslee	516	—	1135	Committee on Budget and Fiscal Review
495	339	—	Harman	517	—	1209	Scott (Coauthors: Senators Chesbro, Torlakson, and Vincent) (Coauthors: Assembly Members Goldberg, Hancock, Mullin, and Pavley)
496	402	—	Dymally	518	—	1655	Scott
497	1172	—	Chu and Jones	519	—	1690	Romero
498	1559	—	Frommer	520	—	1802	Ducheny (Coauthor: Assembly Member Salinas)
499	1598	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)	521	2043	—	Committee on Banking and Finance (Calderon (Chair), Niello (Vice Chair), Chavez, Jerome Horton, La Malfa, Lieu, Parra, Ruskin, Tran, and Vargas)
500	1693	—	Berg (Coauthor: Senator Chesbro)	522	2886	—	Frommer, Lieu, and Parra (Coauthor: Senator Poochigian)
				523	—	354	Escutia
				524	—	472	Alquist (Principal coauthor: Assembly Member Chu) (Coauthors: Senators Bowen, Kuehl, and Romero) (Coauthors: Assembly Members Bermudez, Chavez, Jones, Lieu, and Pavley)
				525	—	676	Ashburn (Principal coauthor: Assembly Member Karnette)
				526	—	739	Speier
				527	—	470	Ducheny (Coauthor: Assembly Member Garcia)
				528	—	1130	Committee on Budget and Fiscal Review
				529	—	1212	Torlakson (Coauthor: Senator Alquist)
				530	—	1248	Alquist (Principal coauthor: Assembly Member Lieber) (Coauthors: Senators Chesbro, Figueroa, and Kuehl) (Coauthors: Assembly Members Berg, Cohn, Jones, Koretz, and Laird)
				531	—	1360	Kehoe (Coauthor: Assembly Member Lieu)
				532	—	1278	Alquist (Principal coauthor: Senator Alarcon) (Principal coauthor: Assembly Member Liu)

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533	—	834	Figueroa	567	2303	—	Committee on Judiciary (Jones (Chair), Evans, Laird, Levine, Lieber, and Montanez)
534	—	1568	Dunn	568	2332	—	Committee on Agriculture (Assembly Members Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)
535	—	1574	Kuehl	569	2347	—	Harman
536	—	1638	Figueroa (Coauthor: Assembly Member Laird)	570	2362	—	Jerome Horton
537	—	1670	Aanestad	571	2413	—	Spitzer
538	—	1852	Committee on Judiciary (Senators Dunn (Chair), Ackerman, Escutia, and Kuehl)	572	2448	—	Hancock (Principal coauthor: Assembly Member Wyland) (Coauthor: Senator Alquist)
539	105	—	Cohn	573	2515	—	Ruskin (Coauthor: Senator Kuehl)
540	120	—	Cohn (Principal coauthor: Senator Alquist)	574	2520	—	Committee on Transportation (Oropeza (Chair), Bogh, Chan, Shirley Horton, Huff, Karnette, Liu, Mountjoy, Niello, Pavley, Ridley-Thomas, Salinas, and Torrico)
541	371	—	Goldberg	575	2624	—	Houston
542	521	—	Sharon Runner	576	2671	—	Salinas
543	530	—	Plescia	577	2746	—	Blakeslee (Coauthors: Assembly Members Laird and Villines) (Coauthor: Senator Machado)
544	631	—	Leno	578	2800	—	Laird (Coauthors: Assembly Members Chu, Dymally, Evans, Goldberg, Hancock, Klehs, Koretz, Leno, Lieber, Mullin, Nation, and Pavley) (Coauthors: Senators Kehoe, Kuehl, and Migden)
545	633	—	Benoit (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Bogh, Garcia, and Pavley)	579	2805	—	Blakeslee (Coauthor: Senator Bowen)
546	768	—	Nation (Coauthors: Assembly Members Bermudez, Koretz, and Levine) (Coauthors: Senators Cedillo and Figueroa)	580	2831	—	Ridley-Thomas
547	797	—	Wolk	581	2837	—	Baca
548	798	—	Wolk	582	2869	—	Leno
549	937	—	Wyland	583	2871	—	Huff
550	1160	—	Lieber (Coauthors: Assembly Members Jones, Koretz, and Torrico)	584	2906	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Canciamilla, Cogdill, Parra, Salinas, and Vargas)
551	1207	—	Yee (Principal coauthors: Senators Bowen, Kuehl, and Migden) (Coauthors: Assembly Members Hancock, Koretz, Laird, Pavley, and Wolk)	585	2947	—	Goldberg
552	1228	—	Daucher (Principal coauthor: Senator Ducheny)	586	2989	—	Karnette
553	1245	—	Wolk	587	3046	—	Chavez
554	1286	—	Evans	588	3059	—	Committee on Elections and Redistricting (Umberg (Chair), Wyland (Vice Chair), Karnette, Leno, Levine, and Villines)
555	1505	—	La Suer (Coauthor: Assembly Member Cohn)	589	699	—	Chan (Coauthors: Assembly Members Berg, Jones, and Karnette)
556	1602	—	Laird (Coauthors: Assembly Members Benoit, Bogh, Cogdill, Haynes, Leslie, and Nakanishi) (Coauthors: Senators Alquist, Battin, Cox, Hollingsworth, and Maldonado)	590	2387	—	Vargas
557	1852	—	Yee (Principal coauthor: Assembly Member Maze)	591	—	53	Kehoe
558	1864	—	Matthews	592	—	611	Speier
559	1881	—	Laird	593	—	988	Migden
560	1968	—	Leslie and Jones (Coauthor: Assembly Member Calderon)	594	—	1210	Torlakson (Coauthor: Senator Alquist)
561	2117	—	Coto, Goldberg, Umberg, Wyland, Arambula, Hancock, Huff, Liu, Mullin, Pavley, and Richman (Coauthor: Senator Alquist)	595	—	1206	Kehoe (Coauthors: Senators Dunn and Machado)
562	2144	—	Montanez	596	—	1222	Ackerman (Coauthors: Senators Ashburn, Battin, Cox, Dutton, and Margett) (Coauthors: Assembly Members Benoit, Bogh, Cogdill, DeVore, Garcia, Haynes, Shirley Horton, Huff, Karnette, Maze, McCarthy, Mountjoy, Plescia, Spitzer, and Wyland)
563	2161	—	Klehs	597	—	1244	Soto
564	2256	—	Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair), Bass, Frommer, Koretz, Maze, Nation, Tran, Vargas, and Yee)	598	—	1368	Perata (Coauthor: Assembly Member Levine)
565	2260	—	Negrete McLeod	599	—	1379	Perata and Ortiz (Coauthor: Assembly Member Laird)
566	2285	—	Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair), Maze, Nation, Vargas, and Yee)				

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600	—	1451	Kehoe (Coauthor: Assembly Member Leno)				Chavez, Coto, De La Torre, Dymally, and Nunez)
601	—	1454	Torlakson (Coauthor: Senator Aanestad) (Coauthor: Assembly Member Wolk)	633	—	524	Torlakson
602	—	1650	Kehoe and Dunn	634	—	763	Lowenthal
603	—	1809	Machado	635	—	968	Torlakson
604	450	—	Yee and Jerome Horton (Coauthors: Assembly Members Aghazarian, Levine, Mountjoy, and Plescia)	636	—	983	Lowenthal
605	630	—	Chu (Coauthors: Assembly Members Chan and Laird) (Coauthors: Senators Ortiz and Romero)	637	—	1032	Hollingsworth
606	1407	—	Lieber	638	—	1059	Escutia and Morrow
607	2085	—	Parra	639	—	1062	Bowen
608	2102	—	Saldana	640	—	1136	Committee on Budget and Fiscal Review
609	2210	—	Goldberg (Principal coauthor: Assembly Member Torrico) (Coauthors: Assembly Members Koretz and Niello)	641	—	1141	Committee on Budget and Fiscal Review
610	2214	—	Tran (Coauthor: Assembly Member Daucher)	642	—	1168	Chesbro (Coauthor: Assembly Member Berg)
611	2242	—	Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)	643	—	1196	Committee on Local Government (Senators Kehoe (Chair), Ackerman, Cox, Machado, and Torlakson)
612	2283	—	Oropeza	644	—	1231	Dunn, Bowen, and Kuehl (Coauthors: Assembly Members Evans, Jones, Laird, and Lieber)
613	2433	—	Negrete McLeod (Coauthors: Assembly Members Chavez, DeVore, and Lieber)	645	—	1249	Alquist (Coauthors: Senators Kuehl, Romero, and Simitian) (Coauthors: Assembly Members Jerome Horton, Jones, Laird, Lieber, Pavley, Ruskin, and Umberg)
614	2600	—	Lieu and Lieber (Coauthor: Assembly Member Frommer)	646	—	1299	Speier and Denham (Principal coauthor: Assembly Member Koretz) (Coauthors: Senators Bowen, Chesbro, Cox, and Romero) (Coauthors: Assembly Members Chan, Cogdill, Garcia, Karnette, Lieu, Niello, Spitzer, and Torrico)
615	2609	—	Evans (Coauthors: Assembly Members Berg, Shirley Horton, Koretz, Laird, Lieber, and Pavley) (Coauthors: Senators Alquist, Kuehl, Romero, and Torlakson)	647	—	1301	Alquist
616	2719	—	Houston	648	—	1303	Runner (Principal coauthor: Assembly Member Cancianilla)
617	2778	—	Lieber (Coauthor: Assembly Member Saldana)	649	—	1304	Runner
618	2844	—	Nation	650	—	1318	Cedillo
619	2911	—	Nunez (Coauthor: Senator Perata)	651	—	1359	Torlakson
620	2990	—	Levine	652	—	1383	Ortiz (Principal coauthor: Senator Alarcon) (Coauthor: Senator Romero) (Coauthors: Assembly Members Baca, Jerome Horton, and Koretz)
621	3021	—	Nunez	653	—	1446	Perata
622	2884	—	Baca	654	—	1465	Soto
623	—	44	Torlakson (Principal coauthor: Assembly Member Nunez)	655	—	1466	Committee on Public Employment and Retirement (Senators Soto (Chair), Alarcon, Ashburn, Dunn, and Hollingsworth)
624	—	145	Murray	656	—	1468	Alarcon
625	—	148	Scott (Principal coauthor: Senator Florez) (Principal coauthor: Assembly Member Liu) (Coauthors: Assembly Members Bass, Frommer, Hancock, Jerome Horton, Jones, Oropeza, and Umberg)	657	—	1469	Cedillo (Principal coauthor: Assembly Member Coto)
626	—	202	Simitian, Figueroa, and Maldonado (Principal coauthors: Assembly Members Leno and Pavley) (Coauthors: Assembly Members Benoit, Cohn, and Houston)	658	—	1476	Figueroa
627	—	225	Soto (Coauthor: Assembly Member Chu)	659	—	1475	Committee on Business, Professions and Economic Development (Senators Figueroa (Chair), Aanestad, Florez, Morrow, and Simitian)
628	—	263	Speier	660	—	1485	Hollingsworth
629	—	267	Romero	661	—	1488	Hollingsworth
630	—	293	Ducheny	662	—	1500	Speier
631	—	361	Scott (Principal coauthor: Senator Runner) (Principal coauthor: Assembly Member Laird)	663	—	1513	Romero and Figueroa (Principal coauthor: Senator Torlakson) (Principal coauthors: Assembly Members Liu, Aghazarian, Arambula, Baca, Chan, Garcia, Houston, Tran, and Yee)
632	—	368	Escutia (Coauthors: Senators Alarcon, Cedillo, Ducheny, Figueroa, and Romero) (Coauthors: Assembly Members Baca, Calderon, Chan,	664	—	1519	Bowen
				665	—	1520	Ducheny
				666	—	1528	Bowen

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667	—	1535	Kuehl				(Coauthors: Senators Bowen, Ducheny, and Escutia)
668	—	1538	Scott	707	839	—	Torrico, Jerome Horton, and Parra (Principal coauthor: Senator Florez) (Coauthors: Assembly Members Karnette, Lieber, Matthews, and Wolk)
669	—	1543	Alarcon and Romero	708	874	—	Wolk
670	—	1548	Murray	709	971	—	Jerome Horton (Coauthors: Assembly Members Bermudez and Cohn)
671	—	1557	Ducheny	710	984	—	Laird
672	—	1569	Kuehl	711	1189	—	Bermudez
673	—	1587	Lowenthal	712	1282	—	Mullin and Ruskin
674	—	1592	Romero	713	1302	—	Jerome Horton
675	—	1626	Ashburn	714	1341	—	Committee on Environmental Safety and Toxic Materials (Ruskin (Chair), Tran (Vice Chair), Chu, De La Torre, Goldberg, Jerome Horton, and Strickland)
676	—	1627	Kehoe	715	1387	—	Jones
677	—	1637	Committee on Veterans Affairs (Senators Morrow (Chair), Chesbro, Denham, Dunn, and Soto)	716	1418	—	Jerome Horton
678	—	1659	Cox	717	1548	—	Pavley (Coauthors: Assembly Members Lieber and Mullin)
679	—	1661	Cox	718	1550	—	Arambula and Karnette (Principal coauthors: Assembly Members Dymally, Garcia, and Houston) (Principal coauthors: Senators Ducheny, Lowenthal, and Machado)
680	—	1697	Soto	719	1591	—	Chan (Coauthors: Assembly Members Berg, Jones, and Liu)
681	—	1698	Ashburn	720	2877	—	Frommer
682	—	1699	Bowen (Coauthor: Assembly Member Lieu)	721	1620	—	Klehs
683	—	1702	Speier and Cox (Coauthor: Assembly Member Chan)	722	1632	—	Blakeslee (Coauthors: Assembly Members De La Torre, Evans, and Levine) (Coauthors: Senators Chesbro, Escutia, Harman, and Kehoe)
684	—	1704	Kuehl	723	1634	—	McCarthy (Principal coauthor: Senator Bowen)
685	—	1719	Cedillo (Principal coauthor: Assembly Member Calderon) (Coauthors: Assembly Members Spitzer, Strickland, and Torrico)	724	1643	—	Jones
686	—	1720	Chesbro	725	1752	—	Levine
687	—	1725	Bowen	726	1774	—	Committee on Human Services (Evans (Chair), Haynes (Vice Chair), Arambula, Bass, Coto, Nation, and Spitzer)
688	—	1735	Cox	727	1799	—	McCarthy (Coauthors: Assembly Members Daucher, Huff, Saldana, Spitzer, and Vargas) (Coauthors: Senators Bowen, Dunn, and Kehoe)
689	—	1743	Bowen	728	1848	—	Bermudez and Jerome Horton (Coauthors: Assembly Members Coto and Maze)
690	—	1747	Bowen	729	1942	—	Nava (Coauthors: Assembly Members Bass, Goldberg, Koretz, Leno, and Lieber) (Coauthors: Senators Kuehl and Migden)
691	—	1755	Chesbro	730	1967	—	Committee on Education (Goldberg (Chair), Arambula, Coto, Hancock, Huff, Liu, Mullin, Pavley, and Umberg)
692	—	1756	Migden	731	1969	—	Yee
693	—	1838	Perata and Florez	732	1998	—	Chan (Coauthors: Assembly Members Jones, Koretz, and Lieber)
694	—	1840	Committee on Energy, Utilities and Communications (Senators Escutia (Chair), Alarcon, Battin, Bowen, Cox, Dunn, Dutton, Kehoe, Murray, and Simitian)	733	1812	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)
695	44	—	Cohn	734	2021	—	Levine
696	103	—	Cohn				
697	158	—	Bermudez and Frommer (Coauthors: Assembly Members Benoit, Evans, Jones, Matthews, Maze, and Torrico)				
698	225	—	Negrete McLeod				
699	289	—	Chan (Coauthors: Assembly Members Jerome Horton, Koretz, Lieber, and Pavley) (Coauthor: Senator Kuehl)				
700	2987	—	Nunez and Levine (Principal coauthors: Assembly Members McCarthy and Plescia) (Principal coauthor: Senator Escutia)				
701	525	—	Chu (Coauthor: Senator Kuehl)				
702	569	—	Garcia				
703	586	—	Negrete McLeod				
704	607	—	Goldberg (Coauthors: Senators Alquist, Romero, and Torlakson)				
705	618	—	Cogdill (Coauthors: Assembly Members Benoit, Bogh, Cox, Daucher, DeVore, Evans, Garcia, Huff, Maze, Niello, Strickland, and Villines) (Coauthors: Senators Aanestad, Harman, and Morrow)				
706	680	—	Chan (Coauthors: Assembly Members Leno, Salinas, Torrico, and Yee)				

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
735	2049	—	Spitzer (Coauthors: Assembly Members Daucher, Garcia, Goldberg, Haynes, Huff, La Suer, Nakanishi, Strickland, Tran, and Wyland) (Coauthors: Senators Battin, Cox, and Dutton)	770	2276	—	Pavley (Coauthors: Assembly Members Evans, Koretz, Lieber, and Saldana) (Coauthor: Senator Ortiz)
736	2067	—	Oropeza and Jerome Horton (Coauthors: Assembly Members Koretz and Torrico)	771	2280	—	Leno
737	2095	—	Niello	772	2282	—	Oropeza
738	2104	—	Lieber (Principal coauthor: Senator Dunn) (Coauthors: Assembly Members Jones and Laird) (Coauthors: Senators Bowen and Romero)	773	2341	—	Villines (Coauthors: Assembly Members Benoit, Cogdill, DeVore, Maze, Mountjoy, and Wyland) (Coauthor: Senator Dutton)
739	2140	—	Hancock	774	2357	—	Karnette and Yee (Coauthors: Assembly Members Canciamilla, Koretz, Lieber, Richman, and Wolk) (Coauthors: Senators Aanestad, Kuehl, Scott, and Torlaksen)
740	2125	—	Vargas	775	2373	—	Aghazarian and Plescia
741	2155	—	Wolk (Coauthor: Assembly Member Mullin)	776	2393	—	Levine
742	2160	—	Lieu (Coauthor: Assembly Member Laird)	777	2408	—	Negrete McLeod
743	2167	—	Arambula	778	2419	—	Wyland
744	2174	—	Villines	779	2436	—	Ruskin (Coauthor: Assembly Member Dymally)
745	2177	—	Aghazarian and Plescia	780	2462	—	Mullin
746	2184	—	Bogh	781	2466	—	Daucher and Arambula (Coauthors: Assembly Members Bass, Emmerson, Evans, and Lieber)
747	2189	—	Blakeslee	782	3064	—	Committee on Public Safety (Leno (Chair), Cohn, Dymally, and Goldberg)
748	—	257	Chesbro (Principal coauthor: Assembly Member Ridley-Thomas)	783	2513	—	Pavley (Coauthors: Assembly Members Hancock and Mullin) (Coauthors: Senators Bowen and Romero)
749	—	423	Simitian (Principal coauthor: Assembly Member Levine) (Coauthors: Assembly Members Cohn, Lieber, and Pavley)	784	2521	—	Jones (Coauthors: Assembly Members Cohn, Koretz, and Leno)
750	—	1070	Keheo (Coauthor: Senator Alquist)	785	2572	—	Emmerson
751	—	1133	Torlaksen (Principal coauthor: Assembly Member Mullin)	786	2573	—	Leno
752	—	1292	Scott	787	2576	—	De La Torre
753	—	1552	Scott (Principal coauthor: Assembly Member Nava)	788	2586	—	Parra (Principal coauthor: Assembly Member Spitzer)
754	—	1758	Figueroa	789	2587	—	Liu and Keene
755	774	—	Chan	790	2592	—	Leno
756	2012	—	Emmerson (Coauthors: Assembly Members Aghazarian and Koretz) (Coauthor: Senator Migden)	791	2670	—	Aghazarian (Principal coauthor: Senator Runner)
757	2030	—	Haynes	792	2631	—	Laird
758	2667	—	Baca	793	2728	—	Klehs
759	2995	—	Nunez	794	2745	—	Jones
760	—	1849	Committee on Business, Professions and Economic Development (Senators Figueroa (Chair), Aanestad, Florez, Morrow, and Simitian)	795	2757	—	Evans
761	1870	—	Lieber (Principal coauthor: Assembly Member Montanez) (Coauthors: Assembly Members Emmerson, Evans, Hancock, Shirley Horton, Jones, Karnette, Koretz, Leno, Oropeza, Pavley, and Saldana)	796	2776	—	Yee
762	2211	—	Karnette	797	2781	—	Leno
763	2220	—	Vargas	798	2843	—	Saldana (Coauthors: Assembly Members Berg, Pavley, and Oropeza)
764	2231	—	Pavley (Coauthor: Assembly Member Lieber) (Coauthors: Senators Kehoe and Romero)	799	2858	—	Leno and Yee
765	2253	—	Hancock	800	2870	—	De La Torre (Coauthor: Senator Migden)
766	2254	—	Goldberg	801	—	1534	Ortiz and Alarcon (Principal coauthor: Assembly Member Coto)
767	2264	—	Pavley (Coauthors: Assembly Members Evans, Jones, Koretz, Lieber, Nation, Ruskin, and Saldana) (Coauthors: Senators Kuehl and Romero)	802	—	1827	Migden
768	2265	—	Nava	803	—	156	Soto
769	2268	—	Saldana	804	—	652	Scott
				805	—	683	Aanestad
				806	—	1325	Scott
				807	—	1376	Chesbro
				808	—	1384	Kuehl (Coauthors: Assembly Members Goldberg, Koretz, and Pavley)
				809	—	1393	Florez
				810	—	1415	Scott
				811	—	1428	Scott
				812	—	1562	Maldonado

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813	—	1668	Bowen				Shirley Horton, Jones, Koretz, Maze, McCarthy, Nation, Parra, Sharon Runner, and Vargas)
814	—	1687	Murray				
815	827	—	Goldberg				
816	1102	—	Hancock	849	1210	—	Levine (Coauthors: Assembly Members Bass, Bermudez, Chan, Chavez, Cohn, Coto, Dymally, Frommer, Goldberg, Karnette, Klehs, Koretz, Laird, Nation, Negrete McLeod, Pavley, Ruskin, Vargas, and Villines) (Coauthors: Senators Alquist, Bowen, Cedillo, Chesbro, Kuehl, Perata, Romero, Scott, and Speier)
817	1943	—	Nava (Coauthors: Assembly Members Lieber, Mullin, and Pavley)				
818	2098	—	Liu (Coauthor: Assembly Member Garcia)				
819	2068	—	Nava and Lieber				
820	2440	—	Klehs				
821	2538	—	Wolk				
822	2813	—	De La Torre (Coauthors: Assembly Members Bass, Bermudez, Calderon, Chan, Coto, Dymally, Evans, Goldberg, Hancock, Jerome Horton, Jones, Karnette, Levine, Lieber, Liu, Matthews, Montanez, Negrete McLeod, Oropeza, Parra, Pavley, Saldana, Salinas, and Torrico) (Coauthors: Senators Alquist, Bowen, Denham, Escutia, Florez, Ortiz, Romero, Soto, Speier, Torlakson, and Vincent)	850	1334	—	Salinas
				851	1430	—	Goldberg (Coauthor: Assembly Member Yee)
				852	1457	—	Baca
				853	1953	—	Chan (Coauthors: Assembly Members Koretz and Lieber) (Coauthor: Senator Kuehl)
				854	1973	—	Bermudez
823	2915	—	Saldana	855	2041	—	Nava and Jerome Horton (Coauthors: Assembly Members Cohn and Lieu)
824	3051	—	Koretz	856	2051	—	Cohn (Coauthors: Assembly Members Koretz and Laird)
825	2543	—	Bermudez	857	2084	—	Karnette (Principal coauthor: Senator Kuehl) (Coauthor: Assembly Member Koretz) (Coauthors: Senators Bowen and Romero)
826	2889	—	Frommer				
827	2900	—	Plescica (Principal coauthor: Assembly Member Wolk) (Coauthors: Assembly Members Lieu and Pavley) (Coauthors: Senators Battin and Kehoe)	858	2250	—	Coto (Coauthors: Assembly Members Garcia, Shirley Horton, Liu, Negrete McLeod, Salinas, and Torrico) (Coauthor: Senator Lowenthal)
828	2907	—	De La Torre	859	2274	—	Karnette
829	2920	—	Leno (Coauthors: Assembly Members Berg, Goldberg, Hancock, Koretz, Laird, Nation, Pavley, Saldana, and Yee) (Coauthors: Senators Kehoe and Kuehl)	860	2415	—	Nunez (Principal coauthor: Assembly Member Leno)
				861	2541	—	Matthews and Negrete McLeod
				862	2544	—	Pavley
830	2968	—	Leno	863	2641	—	Coto (Coauthors: Assembly Members Baca, Bogh, Houston, and Negrete McLeod) (Coauthors: Senators Ducheny and Hollingsworth)
831	3003	—	La Malfa	864	2723	—	Pavley (Coauthors: Assembly Members Cohn, Frommer, Koretz, Levine, Lieber, Ruskin, Saldana, and Shirley Horton) (Coauthors: Senators Kehoe, Kuehl, and Murray)
832	3004	—	Houston	865	2865	—	Torrico (Principal coauthor: Assembly Member Montanez) (Coauthors: Assembly Members Jones, Koretz, Lieber, Lieu, Strickland, and Pavley) (Coauthor: Senator Migden)
833	3013	—	Koretz (Coauthor: Assembly Member Leslie)	866	2951	—	Goldberg
834	3033	—	Lieber	867	3023	—	Nunez
835	3045	—	Koretz and Spitzer (Coauthor: Assembly Member Leno)	868	3068	—	Jerome Horton
				869	—	668	Kuehl
836	1368	—	Karnette	870	—	909	Bowen
837	—	1309	Scott (Principal coauthor: Senator Perata)	871	—	1207	Alarcon
838	—	678	Ducheny	872	—	1317	Torlakson
839	—	1556	Torlakson (Principal coauthor: Assembly Member Wolk) (Coauthors: Senators Chesbro, Machado, and Ortiz) (Coauthors: Assembly Members Aghazarian and Jones)	873	—	1423	Figueroa
				874	—	1430	Alquist
				875	—	1453	Speier
				876	—	1483	Alquist
				877	—	1505	Lowenthal (Coauthors: Assembly Members Lieu and Pavley)
840	—	1614	Simitian	878	—	1596	Runner
841	—	1773	Alarcon (Coauthors: Assembly Members Koretz, Pavley, and Ridley-Thomas)				
842	1169	—	Torrico (Principal coauthor: Senator Kuehl)				
843	1796	—	Bermudez (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Koretz, Tran, and Vargas)				
844	2354	—	Laird and La Malfa				
845	2449	—	Levine				
846	2863	—	Karnette				
847	159	—	Salinas				
848	546	—	Garcia (Principal coauthor: Assembly Member Vargas) (Principal coauthor: Senator Battin) (Coauthors: Assembly Members Bogh, Daucher, Haynes,				

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
879	—	1380	Chesbro (Principal coauthors: Assembly Members Berg and Evans)	887	2722	—	Canciamilla
880	—	1710	Ackerman (Principal coauthor: Senator Ducheny) (Coauthor: Senator Perata) (Coauthors: Assembly Members Goldberg and Parra)	888	2511	—	Jones (Coauthors: Assembly Members Garcia and Leslie)
881	—	1726	Lowenthal (Coauthor: Assembly Member Huff)	889	2564	—	Matthews
882	—	1814	Torlakson	890	—	286	Lowenthal
883	—	1805	Florez	891	2634	—	Lieber
884	50	—	Leno	892	2638	—	Laird (Coauthors: Assembly Members Hancock, Mullin, and Torrico)
885	1935	—	Bermudez (Coauthor: Assembly Member Matthews)	893	—	1235	Bowen
886	1849	—	Leslie (Coauthors: Assembly Members Benoit, Cogdill, Cohn, Daucher, DeVore, Emmerson, Garcia, Harman, Haynes, Shirley Horton, Houston, Huff, Leno, Maze, Mountjoy, Parra, Strickland, Tran, Vargas, and Wyland) (Coauthors: Senators Alquist and Cox)	894	2769	—	Benoit (Principal coauthor: Senator Bowen)
897	2735	—	Nava (Coauthors: Assembly Members Berg and Matthews)	895	—	1312	Alquist (Coauthors: Assembly Members Berg and Cohn)
898	—	1021	Bowen (Coauthor: Assembly Member Garcia)	896	1798	—	Berg (Principal coauthor: Assembly Member Evans) (Principal coauthor: Senator Chesbro) (Coauthors: Assembly Members Blakeslee, Chan, Laird, Mullin, Nation, Nava, and Wolk) (Coauthors: Senators Aanestad, Bowen, and Cox)
899	2752	—	Spitzer	908	—	1541	Ducheny
900	1850	—	Mountjoy	909	—	438	Migden (Coauthors: Assembly Members Benoit and McCarthy)
901	—	1422	Margett	910	3065	—	Committee on Governmental Organization (Jerome Horton (Chair), Aghazarian, Bermudez, Calderon, Chavez, Coto, Garcia, La Suer, Levine, Liu, Mountjoy, Negrete McLeod, Torrico, and Yee)
902	—	1759	Ashburn	903	9083	—	Nunez
903	2116	—	Cohn, Jerome Horton, and Negrete McLeod	904	9084	—	Nunez
904	3038	—	Ruskin	905	9085	—	Nunez
905	2918	—	Wolk (Principal coauthor: Senator Chesbro)	906	9086	—	Nunez
906	—	458	Speier	907	9087	—	Nunez
907	3056	—	Committee on Natural Resources (Hancock (Chair), La Malfa (Vice Chair), Keene, Koretz, Saldana, and Wolk)	908	9088	—	Nunez
				909	9089	—	Nunez
				909	9090	—	Nunez



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2	SCR 20	Soto (Coauthor: Senator Margett) (Coauthor: Assembly Member Huff)			Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, 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)
3	SCR 64	Scott (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, 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, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	8	ACR 102	Oropeza (Principal coauthor: Senator Kuehl) (Coauthors: Assembly Members Karmette, Lieber, Pavley, 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, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Plescia, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
4	SCR 65	Hollingsworth	9	ACR 101	Nakanishi, Chan, Chu, Shirley Horton, Lieu, Liu, Torrico, Tran, and Yee (Coauthors: Assembly Members Aghazarian, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Levine, Lieber, Matthews, Maze, McCarthy, Mountjoy, Mullin, 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)
5	SCR 71	Romero, Alquist, Kuehl, Lowenthal, Ortiz, Scott, and Soto (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, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	10	ACR 106	Yee (Coauthors: Assembly Members Calderon, Chavez, DeVore, Garcia,
6	SJR 10	Figueroa (Coauthors: Senators Cedillo, Romero, and Torlakson) (Coauthors: Assembly Members Chan, Jones, Leno, Pavley, Baca, Bass, Berg, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Evans, Frommer, Goldberg, Hancock, Koretz, Laird, Levine, Lieber, Liu, Matthews, Montanez, Mullin, Nation, Negrete McLeod, Nunez, Ridley-Thomas, Saldana, Torrico, Vargas, and Yee)			
7	ACR 103	Nakanishi, Chan, Chu, Shirley Horton, Lieu, Liu, Torrico, Tran, and Yee (Coauthors: Assembly Members			

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11	ACR 109	Montanez	15	ACR 121	Blakeslee and Jerome Horton (Principal coauthor: Assembly Member Liu) (Principal coauthors: Senators Alarcon and Alquist) (Coauthors: Assembly Members Aghazarian, Bermudez, Calderon, Chavez, Coto, Garcia, La Suer, Levine, Lieu, Mountjoy, Negrete McLeod, Plescia, Torrico, Yee, Arambula, Baca, Benoit, Berg, Canciamilla, Chan, Chu, Cogdill, Cohn, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Goldberg, Shirley Horton, Houston, Huff, Karnette, Keene, Klehs, La Malfa, Laird, Leno, Lieber, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Niello, Nunez, Oropeza, Parra, Pavley, Richman, Ridley-Thomas, Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Wyland)
12	ACR 110	Mountjoy (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Bermudez, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Emmerson, Frommer, Garcia, Hancock, Haynes, Shirley Horton, Houston, Huff, Karnette, Keene, Koretz, La Malfa, La Suer, Laird, Leslie, Levine, Lieu, Liu, Matthews, Maze, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	16	ACR 125	Matthews (Principal coauthors: Assembly Members Blakeslee, Canciamilla, Cogdill, Maze, Parra, Salinas, and Vargas) (Principal coauthors: Senators Denham, Ducheny, Kuehl, Maldonado, and Vincent) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Bogh, Calderon, Chan, Chavez, Chu, Cohn, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Jerome Horton, Shirley Horton, Houston, Karnette, Keene, La Malfa, La Suer, Laird, Leno, Leslie, Lieber, Lieu, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, Wolk, Wyland, and Yee)
13	ACR 113	Levine and Jones (Principal coauthor: Senator Speier) (Coauthors: Assembly Members Aghazarian, Baca, Bass, Benoit, 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, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Lieber, Liu, Matthews, Maze, McCarthy, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Vargas, Villines, Wolk, Wyland, and Yee)	17	SCR 92	Escutia and Cedillo (Coauthors: Assembly Members Calderon and Coto)
14	ACR 115	Coto (Coauthors: Assembly Members Arambula, Baca, Berg, Bermudez, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Daucher, De La Torre, Dymally, Evans, Frommer, Goldberg, Jerome Horton, Shirley Horton, Karnette, Klehs, Laird, Leno, Leslie,	18	SCR 97	Battin
			19	SCR 100	Cox
			20	ACR 72	Wyland (Coauthors: Assembly Members Benoit, Dymally, Jerome Horton, McCarthy, Mullin, Tran, and Villines)
			21	ACR 119	Laird (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La

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		Torre, DeVore, Emmerson, Frommer, Garcia, Goldberg, Shirley Horton, Houston, Huff, Karmette, Klehs, Leno, Lieber, Lieu, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Yee)	26	SCR 52	Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, Wolk, Wyland, and Yee)
22	ACR 127	Liu (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieu, Matthews, Maze, McCarthy, Montanez, Mounjoy, 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)	27	SCR 57	Cox
			28	SCR 67	Speier (Coauthors: Senators Cox, Kehoe, Kuehl, Machado, and Romero) (Coauthors: Assembly Members Bermudez, DeVore, Evans, Frommer, Garcia, Lieu, Jones, Karmette, Laird, Lieber, Maze, Nakanishi, Niello, Pavley, Saldana, Spitzer, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, Dymally, Emmerson, Harman, Shirley Horton, Houston, Huff, Keene, Klehs, Koretz, La Malfa, La Suer, Leno, Leslie, Levine, Liu, Matthews, McCarthy, Montanez, Mounjoy, Mullin, Negrete McLeod, Oropeza, Parra, Plescia, Ridley-Thomas, Sharon Runner, Ruskin, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wyland, and Yee)
23	ACR 128	Matthews	29	SCR 70	Chesbro
24	ACR 130	Hancock (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Evans, Frommer, Garcia, Goldberg, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieu, Matthews, Maze, McCarthy, Montanez, Mounjoy, 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)	30	SCR 101	Battin
			31	SCR 102	Scott
			32	SCR 103	Scott, Cox, Ortiz, and Torlakson
			33	ACR 98	Shirley Horton
25	ACR 135	Matthews (Principal coauthors: Assembly Members Blakeslee, Canciamilla, Cogdill, Maze, Parra, Salinas, and Vargas) (Principal coauthors: Senators Denham, Ducheny, Kuehl, Maldonado, and Vincent) (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Bogh, Calderon, Chan, Chavez, Chu, Coto, Daucher, De La Torre, DeVore, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieu, McCarthy, Montanez,	34	ACR 120	Niello (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Evans, Frommer, Garcia, Goldberg, Hancock, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieu, Matthews, Maze, McCarthy, Montanez, Mounjoy, 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)
			35	ACR 126	Keene (Coauthors: Assembly Members Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Koretz, La Malfa,

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		La Suer, Laird, Leno, Leslie, Levine, Lieu, 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, Wolk, Wyland, and Yee)			Lieber, Lieu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Wyland)
36	ACR 133	Ridley-Thomas (Coauthors: Assembly Members 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, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	39	SCR 53	Ashburn
			40	SJR 27	Bowen (Coauthors: Senators Alquist, Escutia, Figueroa, Kuehl, Ortiz, Romero, and Speier) (Coauthors: Assembly Members Bass, Berg, Chan, Chu, Cohn, Evans, Goldberg, Hancock, Karnette, Lieber, Liu, Matthews, Pavley, and Saldana)
			41	SCR 76	Alquist, Figueroa, and Kehoe (Coauthors: Assembly Members Bass, Berg, Liu, Pavley, and Saldana)
			42	SCR 77	Alquist (Coauthor: Assembly Member Jones)
			43	SCR 79	Alquist
			44	SCR 81	Alquist
			45	SCR 83	Alquist
			46	SCR 105	Torlaxson, Bowen, Chesbro, Ducheny, Escutia, and Vincent
37	ACR 137	Maze (Coauthors: Assembly Members Bass, Benoit, Bermudez, Cogdill, DeVore, Garcia, Harman, Haynes, Huff, Karnette, La Suer, Liu, Mountjoy, Niello, Pavley, Spitzer, Strickland, Wyland, Arambula, Baca, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Lieu, Matthews, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	47	AJR 42	Aghazarian, Frommer, and Liu (Principal coauthors: Senators Poochigian, Scott, Simitian, and Speier) (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Garcia, Goldberg, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Lieber, Lieu, McCarthy, Montanez, 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)
			48	ACR 100	Cohn (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner,
38	ACR 141	Benoit (Principal coauthor: Senator Speier) (Coauthors: Assembly Members Arambula, Baca, Bass, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine,			

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		Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, Wyland, and Yee)			Salinas, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
49	SCA 7	Torlakson	57	ACR 122	Koretz (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, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Oropenza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
50	SCR 55	Ashburn			
51	SCR 66	Cox			
52	SCR 94	Escutia (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropenza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Yee)	58	ACR 147	Torrico, Chan, Chu, Shirley Horton, Lieu, Liu, Nakanishi, Tran, and Yee (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, Montanez, Moutjoy, Mullin, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropenza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Umberg, Vargas, Villines, Walters, Wolk, and Wyland)
53	ACR 139	Emmerson (Principal coauthor: Senator Dutton)			
54	SCR 84	Alquist			
55	SCR 85	Alquist (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, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, La Malfa, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropenza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	59	AJR 37	Ridley-Thomas (Principal coauthors: Assembly Members Bass, Chu, Coto, Dymally, Frommer, Goldberg, Leno, Levine, Nunez, and Yee) (Principal coauthors: Senators Escutia, Murray, Perata, and Romero) (Coauthors: Assembly Members Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Daucher, De La Torre, DeVore, Emmerson, Evans, Garcia, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Koretz, La Malfa, La Suer, Laird, Leslie, Lieber, Lieu, Matthews, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nation, Nava, Negrete McLeod, Oropenza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran,
56	SCR 7	Denham (Coauthors: Assembly Members Matthews, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, DeVore, Dymally, Emmerson, Evans, Frommer, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropenza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana,			

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		Umberg, Vargas, Villines, Wolk, and Wyland)			
60	AJR 40	Chan and Berg (Coauthors: Assembly Members Cohn, Lieu, Mullin, Arambula, Baca, Bass, Bermudez, Calderon, Canciamilla, Chavez, Chu, Coto, Daucher, De La Torre, Dymally, Evans, Frommer, Garcia, Goldberg, Hancock, Shirley Horton, Jones, Karnette, Koretz, Laird, Leno, Levine, Lieber, Liu, Matthews, Montanez, Negrete McLeod, Oropeza, Parra, Pavley, Ridley-Thomas, Ruskin, Torrico, Umberg, Vargas, and Yee) (Coauthor: Senator Alquist)			Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee) (Coauthor: Senator Chesbro)
61	SCR 111	Machado (Coauthors: Senators Ackerman, Bowen, Chesbro, Cox, Kuehl, Maldonado, and Speier) (Coauthors: Assembly Members Benoit, Chavez, Garcia, Laird, Liu, Maze, Mullin, Pavley, and Wolk)	66	ACR 154	Parra (Coauthors: Assembly Members Nation, 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, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
62	SJR 15	Dutton and Scott (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Torrico, Tran, Umberg, Vargas, Wolk, Wyland, and Yee)	67	AJR 46	Karnette
63	ACR 144	Nation (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, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	68	AJR 48	Nation
			69	ACR 56	Chu (Coauthors: Assembly Members Chan, Chavez, Coto, Jones, Laird, Lieu, Pavley, Spitzer, and Wolk) (Coauthors: Senators Bowen, Kuehl, Romero, and Torlakson)
			70	SCR 88	Battin
			71	SCR 89	Battin
			72	ACR 143	La Malfa
			73	SCR 90	Torlakson
			74	SCR 104	Chesbro
			75	SCR 115	Chesbro (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Blakeslee, 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, Lieu, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete
64	ACR 146	Niello			
65	ACR 153	Evans (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee,			

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			95	SCR 68	Florez
			96	SCR 72	Maldonado (Coauthor: Senator Bowen) (Coauthor: Assembly Member Blakeslee)
76	SCR 116	Cedillo and Alquist (Coauthor: Assembly Member Bass)	97	SCR 110	Torlakson (Principal coauthor: Assembly Member Wolk)
77	SJR 21	Machado (Coauthors: Senators Bowen, Chesbro, Kuehl, and Romero) (Coauthors: Assembly Members Bermudez, Jones, Koretz, and Pavley)	98	SJR 18	Denham and Maldonado (Principal coauthors: Assembly Members Laird and Salinas)
78	SJR 29	Kehoe, Cox, Ducheny, Hollingsworth, Machado, Morrow, and Ortiz (Coauthors: Assembly Members Shirley Horton, Houston, Jones, La Suer, Niello, Plescia, Saldana, Vargas, and Wolk)	99	SJR 31	Lowenthal
79	SJR 30	Chesbro	100	ACR 47	La Suer
80	SJR 32	Machado	101	ACR 77	Chan (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, 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, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, 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, Wolk, Wyland, and Yee)
81	SCR 125	Denham, Aanestad, Bowen, Cox, Kuehl, Morrow, Romero, Runner, and Vincent (Coauthors: Assembly Members Daucher, La Malfa, Maze, Moutjoy, Sharon Runner, Villines, and Wyland)			
82	ACR 65	Cogdill (Coauthors: Assembly Members Arambula, Benoit, Bermudez, Bogh, Daucher, DeVore, Evans, Frommer, Garcia, La Suer, Maze, Montanez, Moutjoy, Spitzer, Villines, and Wyland) (Coauthors: Senators Ackerman, Ashburn, Kuehl, Poochigian, and Romero)	102	ACR 104	Chavez
83	ACR 97	Blakeslee (Coauthor: Senator Maldonado)	103	ACR 112	Chan (Coauthors: Assembly Members Jones, Lieu, Mullin, Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Frommer, Garcia, Goldberg, Shirley Horton, Houston, Karmette, Keene, Klehs, La Malfa, Laird, Leno, Lieber, McCarthy, Montanez, Nakanishi, Nation, Nava, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Yee)
84	ACR 108	La Malfa			
85	ACR 116	Blakeslee			
86	ACR 117	Niello			
87	ACR 124	Leslie (Coauthor: Senator Cox)			
88	ACR 150	Walters			
89	AJR 25	Baca (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, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete, McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Wolk, Wyland, and Yee)	104	ACR 123	La Suer (Coauthors: Assembly Members Shirley Horton, Plescia, and Saldana) (Coauthors: Senators Ducheny, Hollingsworth, and Kehoe)
90	AJR 45	Villines (Coauthors: Assembly Members Cogdill, Huff, Maze, Nakanishi, Salinas, and Wolk) (Coauthors: Senators Cox, Denham, and Hollingsworth)	105	ACR 132	Cogdill (Coauthor: Senator Poochigian)
91	SCR 73	Torlakson, Escutia, and Ortiz (Coauthor: Assembly Member Saldana)	106	ACR 136	Arambula (Coauthors: Assembly Members Cogdill, Matthews, Maze, Parra, Salinas, Aghazarian, Baca, Bass, Benoit, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Goldberg, Hancock, Jerome
92	SCR 93	Runner			
93	SCR 95	Soto			



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		Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	114	ACR 34	Liu (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Berg, Bermudez, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Lieu, Matthews, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Tran, Umberg, Vargas, Villines, Wolk, and Yee)
107	ACR 140	La Suer (Coauthors: Assembly Members Haynes, Shirley Horton, Plescia, Saldana, Vargas, Walters, and Wyland)	115	ACR 129	Baca and Negrete McLeod
108	ACR 145	Nakanishi and Coto (Coauthors: Assembly Members Daucher, Lieu, Tran, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, De La Torre, DeVore, Dymally, Emmerson, Garcia, Goldberg, Hancock, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Lieber, Liu, Matthews, McCarthy, Montanez, Mullin, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	116	AJR 41	Nation
			117	AJR 47	Ridley-Thomas (Coauthors: Assembly Members Calderon, Daucher, Huff, Levine, Parra, Vargas, Wyland, Yee, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Karnette, Keene, Klehs, La Malfa, Laird, Leno, Leslie, Lieber, Lieu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nation, Negrete McLeod, Nunez, Oropeza, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, and Wolk)
109	AJR 32	Arambula and Sharon Runner (Coauthors: Assembly Members Bermudez, Karnette, Nation, Parra, Pavley, Vargas, Aghazarian, Baca, Bass, Benoit, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Strickland, Torrico, Tran, Umberg, Villines, Walters, Wolk, Wyland, and Yee)	118	SCR 48	Lowenthal (Principal coauthor: Assembly Member Dymally)
110	AJR 52	Sharon Runner (Coauthor: Assembly Member La Malfa)	119	SCR 80	Alquist
111	SCR 127	Ashburn	120	SCR 86	Alquist
112	SJR 13	Escutia, Ducheny, Simitian, and Soto (Coauthors: Assembly Members Huff and Nunez)	121	SCR 87	Alquist
113	SCR 96	Ortiz (Coauthor: Senator Machado) (Coauthors: Assembly Members Jones and Nakanishi)	122	SCR 99	Ortiz
			123	SCR 119	Soto
			124	SCR 122	Denham
			125	SCR 131	Denham
			126	SCR 132	Lowenthal
			127	SJR 22	Speier (Coauthors: Senators Chesbro, Figueroa, Kuehl, and Romero) (Coauthors: Assembly Members Jones, Koretz, Laird, Leno, Lieber, Lieu, Mullin, Nava, and Pavley)
			128	ACR 73	McCarthy
			129	ACR 96	Saldana (Principal coauthors: Assembly Members Plescia, Vargas, Wyland, and Yee) (Principal coauthors: Senators Kehoe, Lowenthal, and Migden) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto,

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		Cohn	136	AJR 49	Nation
130	ACR 99	Koretz (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, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, McCarthy, Montanez, Mountjoy, 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)	137	AJR 55	Nava and Yee (Coauthors: Assembly Members Arambula, Baca, Bass, Berg, Bermudez, Blakeslee, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, Dymally, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Jones, Karnette, Klehs, Koretz, Laird, Leno, Levine, Lieber, Lieu, Liu, Matthews, Montanez, Mullin, Nation, Negrete McLeod, Nunez, Oropeza, Pavley, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Umberg, Vargas, and Wolk)
131	ACR 138	Oropeza (Principal coauthors: Senators Escutia and Lowenthal)	138	SCR 37	Florez
		Matthews	139	SCR 75	Alquist, Figueroa, and Kehoe (Coauthors: Assembly Members Bass, Berg, Liu, Pavley, and Saldana)
132	ACR 142	Pavley (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, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Lieu, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wyland, and Yee)	140	SCR 114	Chesbro
133	ACR 151		141	SCR 120	Denham
134	ACR 158		142	SCR 124	Lowenthal (Coauthor: Assembly Member Oropeza)
			143	SJR 3	Hollingsworth
			144	ACR 156	Emmerson and Bogh (Coauthors: Assembly Members Baca, Garcia, Haynes, Huff, Maze, and Mountjoy) (Coauthors: Senators Dutton and Soto)
			145	ACR 157	Vargas
			146	ACR 159	Haynes
			147	ACR 163	Parra (Coauthors: Assembly Members Arambula, Cogdill, La Malfa, and Wyland) (Coauthors: Senators Ashburn, Dutton, Florez, Hollingsworth, and Morrow)
			148	ACR 165	Karnette
			149	ACR 168	Negrete McLeod
			150	ACR 58	Parra
			151	ACR 114	Coto, Chu, Baca, Ridley-Thomas, Bermudez, Evans, Frommer, and Garcia (Coauthors: Assembly Members Calderon, Chan, Chavez, De La Torre, Dymally, Jerome Horton, Lieu, Montanez, Nava, Oropeza, Pavley, Ruskin, Saldana, Salinas, Torrico, and Yee) (Coauthors: Senators Alarcon, Cedillo, Ducheny, Escutia, Migden, Ortiz, and Torlakson)
135	AJR 31	Evans (Principal coauthor: Senator Migden) (Coauthors: Assembly Members Aghazarian, Arambula, Baca,	152	ACR 161	Nava (Principal coauthor: Senator Kehoe)

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**STATUTES OF CALIFORNIA**

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## CHAPTER 1

An act to add and repeal Article 6.9 (commencing with Section 20209.20) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, relating to public contracts.

[Approved by Governor January 13, 2006. Filed with  
Secretary of State January 13, 2006.]

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

SECTION 1. Article 6.9 (commencing with Section 20209.20) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 6.9. Transportation Design-Build Contracts

20209.20. The Legislature finds and declares all of the following:

This project is subject to the existing process under the state transportation improvement program (Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of the Government Code) or the traffic congestion relief program (Chapter 4.5 (commencing with Section 14556) of Part 5.3 of Division 3 of the Government Code), as applicable, for planning, programming, environmental clearance, and funding. The project must comply with all existing requirements under the state transportation improvement program or the traffic congestion relief program, as applicable, for project development and funding. This article shall not confer any type of competitive advantage upon the project in this article, relative to other projects subject to the state transportation improvement program, during other phases of project development.

20209.22. For the purposes of this article, the following definitions apply:

(a) "Authority" means the Los Angeles County Metropolitan Transportation Authority.

(b) "Department" means the Department of Transportation.

(c) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(d) "Design-build entity" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(e) "Project" means the construction of a high-occupancy vehicle lane in the County of Los Angeles designated in the National Corridor

Infrastructure Improvement Program as established in Section 1302 of HR 3, the federal “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users,” signed into law by the President on August 10, 2005.

20209.23. The authority may utilize the design-build procurement method for the construction of a high-occupancy vehicle lane in the County of Los Angeles designated in the National Corridor Infrastructure Improvement Program as established in Section 1302 of HR 3, the federal “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users,” signed into law by the President on August 10, 2005.

20209.24. The authority shall implement a labor compliance program as described in Section 1771.5 of the Labor Code, or it shall contract with a third party to implement on the authority’s behalf a labor compliance program subject to that statute. This requirement does not apply to any project where the authority or the design-build entity has entered into any collective bargaining agreement or agreements that bind all of the contractors performing work on the projects.

20209.26. Bidding for the project shall progress as follows:

(a) (1) The authority, with the approval of the department, shall prepare or cause to be prepared, a set of documents setting forth the scope of the project, as set forth in this subdivision.

(2) The department shall prepare documents that may include, but need not be limited to, the size, type, and desired design character of the project, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans, and any other information deemed necessary to describe adequately the authority’s needs. The performance specifications and any plans, preliminary engineering, environmental documents, prebid services, and project reports shall be performed by employees of the department. The preliminary engineering and project reports shall be performed by professional engineers employed by the department.

(b) Based on the documents prepared under subdivision (a), the authority shall prepare a request for qualifications that invites interested parties to submit qualifications in the manner prescribed by the authority. The request for qualifications shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the expected cost range, the methodology that will be used by the authority to evaluate qualifications, the process for selecting from among prequalified parties the lowest responsible bidder, and any other information deemed necessary by the authority to inform interested parties of the contracting opportunity.

(2) Significant factors that the authority shall consider in evaluating qualifications, including cost or price lifecycle costs over 15 years or more, technical design and construction expertise, skilled labor force availability, and all other nonprice related factors. As used in this paragraph, "skilled labor force availability" shall be determined by the existence of an agreement with a registered apprenticeship program, approved by the California Apprenticeship Council, that has graduated at least one apprentice in each of the preceding five years. This graduation requirement shall not apply to programs providing apprenticeship training for any craft that was first deemed by the Department of Labor and the Department of Industrial Relations to be an apprenticeable craft within the five years prior to the effective date of this article.

(3) The relative importance of the weight assigned to each of the factors identified in the request for qualifications.

(4) If the authority reserves the right to hold discussions with prequalified bidders, it shall so specify in the request for qualifications and shall publish separately or incorporate into the request for qualifications applicable rules and procedures to be observed by the authority to ensure that any discussions or negotiations are conducted in good faith.

(c) (1) In establishing the procedure to prequalify design-build entities, the authority shall use a standard questionnaire prepared by the authority. In preparing the questionnaire, the authority shall consult with the construction industry, including, but not limited to, representatives of the building trades and surety industry. This questionnaire shall require information including, but not limited to, all of the following:

(A) If the design-build entity is a partnership, limited partnership, or other association, a listing of all of the partners, general partners, or association members known at the time of bid submission who will participate in the design-build contract.

(B) (i) Evidence that the lead member of the design-build entity has completed a state highway project in California with a value of at least twenty-five million dollars (\$25,000,000) in the past 10 years.

(ii) Evidence that the members of the design-build entity have completed, or demonstrated the experience, competency, capability, and capacity to complete projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, as well as a financial statement that assures the authority that the design-build entity has the capacity to complete the project.

(C) The licenses, registration, and credentials required to design and construct the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(D) Evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(E) Information concerning workers' compensation experience history and a worker safety program.

(F) A full disclosure regarding all of the following that are applicable:

(i) Any serious or willful violation of Part 1 (commencing with Section 6300) of Division 5 of the Labor Code or the federal Occupational Safety and Health Act of 1970 (Public Law 91-596), settled against any member of the design-build entity.

(ii) Any debarment, disqualification, or removal from a federal, state, or local government public works project.

(iii) Any instance where the design-build entity, or its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive, or were found by an awarding body not to be a responsible bidder.

(iv) Any instance where the design-build entity, or its owners, officers, or managing employees defaulted on a construction contract.

(v) Any violations of the Contractors' State License Law, as described in Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, excluding alleged violations of federal or state law regarding the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or Federal Insurance Contribution Act (FICA) withholding requirements settled against any member of the design-build entity.

(vi) Any bankruptcy or receivership of any member of the design-build entity, including, but not limited to, information concerning any work completed by a surety.

(vii) Any settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the design-build entity during the five years preceding submission of a bid under this article, in which the claim, settlement, or judgment exceeds fifty thousand dollars (\$50,000). Information shall also be provided concerning any work completed by a surety during this period.

(G) In the case of a partnership or any association that is not a legal entity, a copy of the agreement creating the partnership or association and specifying that all partners or association members agree to be fully liable for the performance under the design-build contract.

(H) Information regarding the safety record of the design-build entity. A bidder's safety record shall be deemed acceptable if its experience modification rate for the most recent three-year period is an average of 1.00 or less, and its average total recordable injury/illness rate and average lost work rate for the most recent three-year period does not

exceed the applicable statistical standards for its business category or if the bidder is a party to an alternative dispute resolution system as provided for in Section 3201.5 of the Labor Code.

(2) The information required under this subdivision shall be verified under oath by the entity and its members in the manner in which civil pleadings in civil actions are verified. Information required under this subdivision that is not a public record under the California Public Records Act, as described in Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, shall not be open to public inspection.

(d) The authority shall establish a procedure for final selection of the design-build entity in which selection shall be based upon a competitive bidding process resulting in lump-sum bids by the prequalified design-build entities. Awards shall be made to the lowest responsible bidder.

(e) (1) Notwithstanding any other provision of this code, upon issuance of a contract award, the authority shall publicly announce the award, identifying the contractor to whom the award is made, along with a written decision supporting the contract award and stating the basis of the award. The notice of award shall also include all prequalified design-build entities.

(2) The written decision supporting the authority's contract award, described in paragraph (1), and the contract file shall provide sufficient information to satisfy an external audit.

20209.27. For purposes of this article, prebid services include preliminary engineering studies and other activities that lead to the selection of a project alternative. These activities encompass a variety of tasks, including, but not limited to, the following activities:

- (a) Project geometric design.
- (b) Earthwork calculations.
- (c) Preparation of cross sections.
- (d) Drainage design.
- (e) Construction staging design.

20209.28. (a) Any design-build entity that is selected to design and build the project under this article shall possess or obtain sufficient bonding to cover the contract amount for nondesign services, and errors and omission insurance coverage sufficient to cover all design, engineering, and architectural services provided in the contract. This section does not prohibit a general or engineering contractor from being designated the lead entity on a design-build project for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.



(b) Any payment or performance bond written for the purposes of this article shall be written using a bond form developed by the Department of General Services under subdivision (i) of Section 14661 of the Government Code.

20209.30. All bids by subcontractors that were not listed by the design-build entity in accordance with subparagraph (A) of paragraph (1) of subdivision (c) of Section 20209.26 shall be considered by the design-build entity in accordance with the design-build process set forth by the authority in the design-build package. All bids by subcontractors bidding on contracts under this article shall be subject to Chapter 4 (commencing with Section 4100) of Part 1 of Division 2. The design-build entity shall do both of the following:

(a) Provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of the authority.

(b) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with the procedure established under this article.

20209.32. (a) A deviation from the performance criteria and standards established under subdivision (a) of Section 20209.26 may not be authorized except by written consent of the authority and the department.

(b) The employees of the department shall perform the construction inspection for the project constructed under this article, including surveying and testing the materials for the project. All design related documents shall be public records.

20209.34. Quality control inspection for the construction of the project utilizing the design-build approach authorized by this article shall be performed by employees of the department.

20209.36. Nothing in this article affects, expands, alters, or limits any rights or remedies otherwise available at law.

20209.38. (a) The retention proceeds withheld by the authority from a design-build entity shall not exceed 5 percent.

(b) The authority shall not withhold retention from payments to a design-build entity for actual costs incurred and billed or design services, construction management services, or where applicable, for completed operations and maintenance services.

(c) In a contract between a design-build entity and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld may not exceed the percentage specified in the contract between the authority and the design-build entity. If the design-build entity provides written notice to any subcontractor who is not a member of the design-build

entity, prior to or at the time that the bid is requested, that a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the design-build entity, then the design-build entity may withhold retention proceeds in excess of the percentage specified in the contract between the authority and the design-build entity from any payment made by the design-build entity to the subcontractor.

(d) In accordance with the provisions of applicable state law, the design-build entity may be permitted to substitute securities in lieu of the withholding from progress payments specified in subdivision (b). Substitutions shall be made in accordance with Section 22300.

20209.40. Not later than three years after a design-build contract is awarded, the authority shall submit a progress report to the Senate Committee on Transportation and Housing and the Assembly Committee on Transportation. The progress report shall include, but shall not be limited to, all of the following information:

- (a) A description of the project.
- (b) The estimated and actual project costs.
- (c) The design-build entity that was awarded the project.
- (d) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including, but not limited to, the resolution of the protests.
- (e) An assessment of the prequalification process and criteria and a copy of the prequalification questionnaire.
- (f) An assessment of the impact of limiting retention to 5 percent on the project, as required under Section 20209.38.
- (g) A description of the labor force compliance program required under Section 20209.24, and an assessment of the impact on the project where compliance with that program is required.
- (h) A description of the method used to award the contract.
- (i) An assessment of the project impact of the "skilled labor force availability" requirement imposed under paragraph (2) of subdivision (b) of Section 20209.26.
- (j) Recommendations regarding the most appropriate uses for the design-build approach.

20209.44. This article shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

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 XII B of the California Constitution.

SEC. 3. The provisions of this act are severable. If any provision of this act or application of the provisions of this act is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

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## CHAPTER 2

An act to amend Section 14133.23 of the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 20, 2006. Filed with  
Secretary of State January 20, 2006.]

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

SECTION 1. Section 14133.23 of the Welfare and Institutions Code is amended to read:

14133.23. (a) To the extent that federal financial participation is not available, the provision of drug benefits under this chapter to full-benefit dual eligible beneficiaries who are eligible for drug benefits under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a Medicare Advantage-Prescription Drug plan (MA-PD plan) under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.), is eliminated, except as otherwise provided under this section.

(b) (1) Notwithstanding any other provision of law, only drug benefits for which federal financial participation is available shall be provided under this chapter to a full-benefit dual eligible beneficiary, except as otherwise provided under subdivision (c).

(2) As a benefit under this chapter, the department, subject to the approval of the Department of Finance and only to the extent that federal financial participation is available, may elect to provide a drug or drugs in a class of drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) to full-benefit dual eligible beneficiaries.

(3) As a benefit under this chapter, and only to the extent that federal financial participation is available, the department shall provide a drug or drugs to full-benefit dual eligible beneficiaries who are otherwise

eligible to receive the drug or drugs due to their entitlement under Title 42 United States Code, Chapter 7, Title XVIII, Part A or their enrollment under Title 42 United States Code, Chapter 7, Title XVIII, Part B.

(4) Except as provided under paragraph (3) and subdivision (c), nothing in this section shall be interpreted to require the department to provide any drug or drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) if federal financial participation is not available.

(c) (1) The department shall review the drug formularies of prescription drug plans under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) available to full-benefit dual eligible beneficiaries.

(2) The department shall develop a process that would allow the department to provide to a full-benefit dual eligible beneficiary, on an emergency basis only, coverage for a drug or drugs not included on the full-benefit dual eligible beneficiary's prescription drug plan's formulary or by prior authorization under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) for which federal financial participation is not available.

(3) Only to the extent that the Legislature made a specific appropriation to fund the provision of emergency drug benefits for which federal financial participation is not available to full-benefit dual eligible beneficiaries, the department shall provide, through the process described in paragraph (2), these emergency drug benefits to a full-benefit dual eligible beneficiary only when all of the following conditions are met:

(A) The drug is not available to the full-benefit dual eligible beneficiary under his or her plan's drug formulary or by prior authorization.

(B) The pharmacist provides or dispenses the drug as an emergency service.

(C) The quantity of the drug provided or dispensed is no greater than a 60-day supply.

(D) The pharmacist has not previously provided or dispensed nor has knowledge that another pharmacist has provided or dispensed the same drug for that full-benefit dual eligible beneficiary on or after January 1, 2006.

(E) The date of service is from January 1, 2006, through December 31, 2006, inclusive.

(4) The department may impose a pre- or post-service prepayment or postpayment review or audit, to review the medical necessity of emergency services provided to full-benefit dual eligible beneficiaries.

(d) The department shall seek approval of any amendments to the state plan necessary to implement this section as required by Title XIX of the Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret or make specific this section by means of all county letters, provider bulletins, or similar instructions. Thereafter, the department may adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) (1) Notwithstanding any other provision of this section, and only to the extent that funds are appropriated for this purpose, the department shall provide on a time-limited basis, as described in paragraph (7), drug benefits to a full-benefit dual eligible beneficiary who is not able to obtain drug benefits from his or her Medicare Drug Plan only when one or more of the following conditions are met:

(A) The pharmacy has submitted a claim for the provision of drug benefits to the full-benefit dual eligible beneficiary's Medicare Drug Plan and the claim has been denied payment for reasons other than processing errors or omissions made by the pharmacy, lack of medical necessity, or health or safety reasons.

(B) The pharmacy is unable to submit a claim for the provision of drug benefits solely due to the unavailability of complete or accurate Medicare Drug Plan enrollment information from the full-benefit dual eligible beneficiary's Medicare Drug Plan, the federal Centers for Medicare and Medicaid Services, or entities under contract with the Centers for Medicare and Medicaid Services to provide enrollment information.

(C) The Medicare Drug Plan provides information that the full-benefit dual eligible beneficiary's deductible or copayment amount is higher than the copayment amounts that are established by Medicare for full-benefit dual eligible beneficiaries.

(2) The director may impose a pre- or post-service prepayment or postpayment review or audit to determine whether a pharmacy has accurately and in good faith established the existence of any condition certified by the pharmacy pursuant to subparagraph (A), (B), or (C) of paragraph (1) in support of a submitted claim to the department.

(3) If the claim submitted by the pharmacy to the Medicare Drug Plan meets the circumstances described in subparagraph (C) of paragraph (1),

the department shall pay the Medi-Cal rate less the Medicare Drug Plan reimbursement amount and the Medicare copayment amount.

(4) To obtain reimbursement from the department, a pharmacy must be an enrolled provider in the Medi-Cal program and certify on its claims under penalty of perjury that one of the conditions specified in paragraph (1) exists.

(5) The department shall seek reimbursement from the federal government of all funds spent to comply with the provisions of this subdivision.

(6) To the extent that the department reimburses a pharmacy for claims authorized under this subdivision, the director shall have the right to recover or recoup the full cost expended by the state for that reimbursement from the full-benefit dual eligible beneficiary's Medicare Drug Plan.

(7) Reimbursement for claims authorized under this subdivision shall be limited to those drug benefits provided to a full-benefit dual eligible beneficiary beginning on January 12, 2006, and concluding 15 calendar days later. The Governor may, upon notice to the Joint Legislative Budget Committee, extend coverage for drug benefits provided to a full-benefit dual eligible beneficiary from the close of the initial 15-day period for up to an additional 15-calendar-day period.

(8) Any drug benefits made available to full-benefit dual eligible beneficiaries under the authority of this subdivision shall be limited to the funds appropriated by the Legislature to the department for this purpose. These drug benefits shall not be deemed to be an entitlement.

(g) (1) For the purposes of this section, a "full-benefit dual eligible beneficiary" means an individual who meets both of the following criteria:

(A) The beneficiary is eligible or would be eligible for coverage for the month for covered Part D drugs under a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(B) Notwithstanding any other provision of this section, the beneficiary is determined eligible for full scope services, including drug benefits, for which federal financial participation is available.

(2) For the purposes of this section, "Medicare Drug Plan" means a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(h) Subdivisions (a) and (b) and paragraph (3) of subdivision (c) shall become operative on January 1, 2006.

SEC. 2. There is hereby appropriated from the General Fund the following sums:

(a) The sum of one hundred twenty-seven million five hundred thousand dollars (\$127,500,000) to the State Department of Health Services to implement subdivision (f) of Section 14133.23 of the Welfare and Institutions Code, as contained in Section 1 of this act. On June 30, 2007, the remaining balance of the appropriation made under this subdivision shall be reverted back to the General Fund.

(b) The sum of twenty-two million five hundred thousand dollars (\$22,500,000) for expenditure for the 2005–06 fiscal year in augmentation of, and for the purposes provided in, Item 9840-001-0001 of Section 2.00 of the Budget Act of 2005 (Chapter 38, Statutes of 2005).

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that Medi-Cal beneficiaries receive prescription drug benefits without delay or extra cost, it is necessary that this act take effect immediately.

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### CHAPTER 3

An act to amend Section 60851 of, and to add and repeal Section 60852.3 of, the Education Code, relating to pupil assessment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 30, 2006. Filed with  
Secretary of State January 30, 2006.]

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

SECTION 1. Section 60851 of the Education Code is amended to read:

60851. (a) Commencing with the 2003–04 school year and each school year thereafter, each pupil completing grade 12 shall successfully pass the high school exit examination as a condition of receiving a diploma of graduation or a condition of graduation from high school. Funding for the administration of the high school exit examination shall be provided for in the annual Budget Act. The Superintendent shall apportion funds appropriated for this purpose to enable school districts to meet the requirements of this subdivision and subdivisions (b), (c),



and (d). The state board shall establish the amount of funding to be apportioned per test administered, based on a review of the cost per test.

(b) Each pupil shall take the high school exit examination in grade 10 beginning in the 2001–02 school year and may take the examination during each subsequent administration, until each section of the examination has been passed.

(c) (1) At the parent or guardian's request, a school principal shall submit a request for a waiver of the requirement to successfully pass the high school exit examination to the governing board of the school district for a pupil with a disability who has taken the high school exit examination with modifications that alter what the test measures and has received the equivalent of a passing score on one or both subject matter parts of the high school exit examination. A governing board of a school district may waive the requirement to successfully pass one or both subject matter parts of the high school exit examination for a pupil with a disability if the principal certifies to the governing board of the school district that the pupil has all of the following:

(A) An individualized education program adopted pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) or a plan adopted pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794(a)) in place that requires the accommodations or modifications to be provided to the pupil when taking the high school exit examination.

(B) Sufficient high school level coursework either satisfactorily completed or in progress in a high school level curriculum sufficient to have attained the skills and knowledge otherwise needed to pass the high school exit examination.

(C) An individual score report for the pupil showing that the pupil has received the equivalent of a passing score on the high school exit examination while using a modification that fundamentally alters what the high school exit examination measures as determined by the state board.

(2) A school district shall report to the state board, in a manner and by a date determined by the Superintendent, the number and characteristics of waivers reviewed, granted, and denied under this subdivision and any additional information determined to be in furtherance of this subdivision.

(d) The high school exit examination shall be offered in each public school and state special school that provides instruction in grades 10, 11, or 12, on the dates designated by the Superintendent. An exit examination may not be administered on any date other than those designated by the Superintendent as examination days or makeup days.

(e) The results of the high school exit examination shall be provided to each pupil taking the examination within eight weeks of the examination administration and in time for the pupil to take any section of the examination not passed at the next administration. A pupil shall take again only those parts of the examination he or she has not previously passed and may not retake any portion of the exit examination that he or she has previously passed.

(f) Supplemental instruction shall be provided to any pupil who does not demonstrate sufficient progress toward passing the high school exit examination. To the extent that school districts have aligned their curriculum with the state academic content standards adopted by the state board, the curriculum for supplemental instruction shall reflect those standards and shall be designed to assist the pupils to succeed on the high school exit examination. This chapter does not require the provision of supplemental services using resources that are not regularly available to a school or school district, including summer school instruction provided pursuant to Section 37252. In no event shall any action taken as a result of this subdivision cause or require reimbursement by the Commission on State Mandates. Sufficient progress shall be determined on the basis of either of the following:

(1) The results of the assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 and the minimum levels of proficiency recommended by the state board pursuant to Section 60648.

(2) The grades of the pupil and other indicators of academic achievement designated by the school district.

SEC. 2. Section 60852.3 is added to the Education Code, to read:

60852.3. (a) Notwithstanding any other provision of law, a school district or state special school as designated in Sections 59000 and 59100 shall grant a high school diploma to a pupil with a disability who is scheduled to graduate from high school in 2006, has not passed the high school exit examination, and has not received a waiver pursuant to subdivision (c) of Section 60851, if all of the following criteria exist:

(1) The pupil has an individualized education program adopted pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) or a plan adopted pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794 (a)).

(2) According to the individualized education program or the Section 504 plan of the pupil, that is dated on or before July 1, 2005, the pupil is scheduled to receive a high school diploma with an anticipated graduation from high school in 2006.

(3) The school district or state special school certifies that the pupil has satisfied or will satisfy all other state and local requirements for the receipt of a high school diploma in 2006.

(4) The pupil has attempted to pass the high school exit examination at least twice after grade 10, including at least once during grade 12, with the accommodations or modifications, if any, specified in the individualized education program or the Section 504 plan of the pupil.

(5) Either (A) the pupil has received remedial or supplemental instruction focused on the high school exit examination either through the school of the pupil, private tutoring, or other means, or (B) the school district or state special school failed to provide the pupil with the opportunity to receive that remedial or supplemental instruction.

(6) If the pupil received remedial or supplemental instruction as set forth in paragraph (5), the pupil has taken the high school exit examination at least once following the receipt of that remedial or supplemental instruction. This paragraph does not apply if following the receipt of that remedial or supplemental instruction there is no further administration of the examination on or before December 31, 2006.

(7) The pupil, or the parent or legal guardian of the pupil if the pupil is a minor, has acknowledged in writing that the pupil is entitled to receive free appropriate public education up to and including the academic year during which the pupil reaches 22 years of age, or until the pupil receives a high school diploma, whichever event occurs first.

(b) A school district or state special school as designated in Sections 59000 and 59100 shall submit documentation of the failure to grant a high school diploma pursuant to this section to the state board within 15 days of the determination that the pupil with a disability who is scheduled to graduate from high school in 2006 does not meet the criteria stated in subdivision (a). The state board shall review any failure to grant a high school diploma by a school district or state special school pursuant to this section not later than its next regularly scheduled meeting occurring at least 30 days following receipt of complete documentation from the school district or state special school. If the state board finds that the pupil meets the criteria stated in subdivision (a), the state board may direct the school district or state special school to grant a high school diploma to the pupil.

(c) Each school district and state special school as designated in Sections 59000 and 59100 shall report to the Superintendent, in a manner and by a date determined by the Superintendent, all of the following information:

- (1) Documentation of the procedure used to implement this section.
- (2) The number of pupils granted diplomas pursuant to this section.

(3) Any additional information determined to be in furtherance of this section.

(d) This section shall remain in effect only until December 31, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before December 31, 2006, deletes or extends that date.

SEC. 3. 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. 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 ensure that certain pupils with disabilities are able to graduate from high school and receive a high school diploma in 2006, it is necessary that this act take effect immediately.

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#### CHAPTER 4

An act to amend Section 1635.5 of the Business and Professions Code, relating to dentistry, making an appropriation therefor and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 30, 2006. Filed with  
Secretary of State January 30, 2006.]

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

SECTION 1. Section 1635.5 of the Business and Professions Code is amended to read:

1635.5. (a) Notwithstanding Section 1634, the board may grant a license to practice dentistry to an applicant who has not taken an examination before the board, if the applicant submits all of the following to the board:

- (1) A completed application form and all fees required by the board.
- (2) Proof of a current license issued by another state to practice dentistry that is not revoked or suspended or otherwise restricted.
- (3) Proof that the applicant has either been in active clinical practice or has been a full-time faculty member in an accredited dental education program and in active clinical practice for a total of at least 5,000 hours in five of the seven consecutive years immediately preceding the date

of his or her application under this section. The clinical practice requirement shall be deemed met if documentation of any of the following is submitted:

(A) The applicant may receive credit for two of the five years of clinical practice by demonstrating completion of a residency training program accredited by the American Dental Association Commission on Dental Accreditation, including, but not limited to, a general practice residency, an advanced education in general dentistry program, or a training program in a specialty recognized by the American Dental Association.

(B) The applicant agrees to practice dentistry full time for two years in at least one primary care clinic licensed under subdivision (a) of Section 1204 of the Health and Safety Code or primary care clinic exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code, or a clinic owned or operated by a public hospital or health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code. The board may periodically request verification of compliance with these requirements, and may revoke the license upon a finding that the employment requirement, or any other requirement of this subparagraph, has not been met. Full-time status shall be defined by the board for the purposes of this subparagraph, and the board may establish exemptions to this requirement on a case-by-case basis.

(C) The applicant agrees to teach or practice dentistry full time for two years in at least one accredited dental education program as approved by the Dental Board of California. The board may periodically request verification of compliance with these requirements, and may revoke the license upon a finding that the employment requirement, or any other requirement of this subparagraph, has not been met. Full-time status shall be defined by the board for the purposes of this subparagraph, and the board may establish exemptions to this requirement on a case-by-case basis.

(4) Proof that the applicant has not been subject to disciplinary action by any state in which he or she is or has been previously licensed to practice dentistry. If the applicant has been subject to disciplinary action, the board shall review that action to determine if it presents sufficient evidence of a violation of Article 4 (commencing with Section 1670) to warrant the submission of additional information from the applicant or the denial of the application for licensure.

(5) A signed release allowing the disclosure of information from the National Practitioner Data Bank and the verification of registration status with the federal Drug Enforcement Administration. The board shall

review this information to determine if it presents sufficient evidence of a violation of Article 4 (commencing with Section 1670) to warrant the submission of additional information from the applicant or the denial of the application for licensure.

(6) Proof that the applicant has not failed the examination for licensure to practice dentistry under this chapter within five years prior to the date of his or her application for a license under this section.

(7) An acknowledgment by the applicant executed under penalty of perjury and automatic forfeiture of license, of the following:

(A) That the information provided by the applicant to the board is true and correct, to the best of his or her knowledge and belief.

(B) That the applicant has not been convicted of an offense involving conduct that would violate Section 810.

(8) Documentation of 50 units of continuing education completed within two years of the date of his or her application under this section. The continuing education shall include the mandatory coursework prescribed by the board pursuant to subdivision (b) of Section 1645.

(9) Any other information as specified by the board to the extent it is required of applicants for licensure by examination under this article.

(b) The board shall provide in the application packet to each out-of-state dentist pursuant to this section the following information:

(1) The location of dental manpower shortage areas that exist in the state.

(2) Those not-for-profit clinics and public hospitals seeking to contract with licensees for dental services.

(c) (1) The board shall review the impact of this section on the availability of dentists in California and report to the appropriate policy and fiscal committees of the Legislature by January 1, 2008. The report shall include a separate section providing data specific to those dentists who intend to fulfill the alternative clinical practice requirements of subparagraph (B) of paragraph (3) of subdivision (a). The report shall include, but not be limited to, all of the following:

(A) The total number of applicants from other states who have sought licensure.

(B) The number of dentists from other states licensed pursuant to this section, as well as the number of licenses not granted and the reasons why each license was not granted.

(C) The location of the practice of dentists licensed pursuant to this section.

(D) The number of dentists licensed pursuant to this section who establish a practice in a rural area or in an area designated as having a shortage of practicing dentists or no dentists at all.

(E) The length of time dentists licensed pursuant to this section maintained their practice in the reported location. This information shall be reported separately for dentists described in subparagraphs (C) and (D).

(2) In identifying a dentist's location of practice, the board shall use medical service study areas or other appropriate geographic descriptions for regions of the state.

(3) If appropriate, the board may report the information required by paragraph (1) separately for primary care dentists and specialists.

(d) The board is authorized to contract with a third party or parties to review applications filed under this section and to advise the board as to whether the applications are complete. The contracting party, its agents, and its employees shall agree to be bound by all provisions of law applicable to the board, its members, and staff, governing custody and confidentiality of materials submitted by applicants for licensure.

(e) The board, in issuing a license under this section to an applicant qualified under subparagraph (B) or (C) of paragraph (3) of subdivision (a), may impose a restriction authorizing the holder to practice dentistry only in the facilities described in subparagraph (B) of paragraph (3) of subdivision (a) or only to practice or teach dentistry at the accredited dental education programs described in subparagraph (C) of paragraph (3) of subdivision (a). Upon the expiration of the two-year term, all location restrictions on the license shall be removed and the holder is authorized to practice dentistry in accordance with this chapter in any allowable setting in the state.

(f) Notwithstanding any other provision of law, a holder of a license issued by the board before January 1, 2006, under this section who committed to complete the remainder of the five years of clinical practice requirement by a contract either to practice dentistry full time in a facility described in subparagraph (B) of paragraph (3) of subdivision (a) or to teach or practice dentistry full time in an accredited dental education program approved by the board, shall be required to complete only two years of service under the contract in order to fulfill his or her obligation under this section. Upon the expiration of that two-year term, all location restrictions on the license shall be removed and the holder is authorized to practice dentistry in accordance with this chapter in any allowable setting in the state.

(g) A license issued pursuant to this section shall be considered a valid, unrestricted license for purposes of Section 1972.

SEC. 2. The sum of fifty-three thousand dollars (\$53,000) is hereby appropriated from the State Dentistry Fund to the Department of Consumer Affairs for the 2005-06 fiscal year for the purpose of Section 1635.5 of the Business and Professions 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:

To allow applicants for licensure as a dentist by the Dental Board of California to satisfy their clinical practice requirement as provided by this act at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 5

An act to amend Section 35401 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 30, 2006. Filed with  
Secretary of State January 30, 2006.]

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

SECTION 1. Section 35401 of the Vehicle Code is amended to read:  
35401. (a) Except as provided in subdivisions (b), (c), and (d), no combination of vehicles coupled together, including any attachments, may exceed a total length of 65 feet.

(b) (1) A combination of vehicles coupled together, including any attachments, which consists of a truck tractor, a semitrailer, and a semitrailer or trailer, may not exceed a total length of 75 feet, if the length of neither the semitrailers nor the trailer in the combination of vehicles exceeds 28 feet 6 inches.

(2) A B-train assembly is excluded from the measurement of semitrailer length when used between the first and second semitrailers of a truck tractor-semitrailer-semitrailer combination of vehicles. However, if there is no second semitrailer mounted to the B-train assembly, it shall be included in the length measurement of the semitrailer to which it is attached.

(3) A combination of vehicles coupled together, including any attachments, may have a total length of not more than 75 feet, if all of the following apply:

(A) The combination of vehicles consists of a motortruck and two trailers.

(B) No trailer in the combination exceeds 28 feet 6 inches in length.

(C) The combination is used exclusively to transport agricultural products from the field to the first point of handling and return, and each direction of transport does not exceed 80 miles.

(D) The combination is not operated on a highway designated by the United States Department of Transportation as a national network route.

(E) The Department of the California Highway Patrol, in consultation with the Department of Transportation, shall conduct a study of the effect that the exemption provided in paragraph (3) has on public safety. The Department of the California Highway Patrol shall report the results of the study to the Legislature and the Governor on or before April 1, 2005.

(F) This paragraph shall become inoperative on January 1, 2007, unless a later enacted statute deletes or extends that date.

(c) (1) A tow truck in combination with a single disabled vehicle or a single abandoned vehicle that is authorized to travel on the highways by this chapter is exempt from subdivision (a) when operating under a valid annual transportation permit.

(2) A tow truck, in combination with a disabled or abandoned combination of vehicles that are authorized to travel on the highways by this chapter, is exempt from subdivision (a) when operating under a valid annual transportation permit and within a 100-mile radius of the location specified in the permit.

(3) A tow truck may exceed the 100-mile radius restriction imposed under paragraph (2) if a single trip permit is obtained from the Department of Transportation.

(d) Any city or county may, by ordinance, prohibit a combination of vehicles of a total length in excess of 60 feet upon highways under its respective jurisdiction. The ordinance may not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authority determines will best serve to give notice of the ordinance.

(e) Any city or county, upon a determination that a highway or portion of highway under its jurisdiction cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, may, by ordinance, establish lesser distances consistent with the maximum distances that the highway or highway portion can sustain, except that a city or county may not restrict the kingpin to rearmost axle measurement to less than 38 feet on those highways or highway portions. Any city or county considering the adoption of an ordinance shall consider, but not be limited to, consideration of, all of the following:

(1) A comparison of the operating characteristics of the vehicles to be limited as compared to operating characteristics of other vehicles regulated by this code.

- (2) Actual traffic volume.
- (3) Frequency of accidents.
- (4) Any other relevant data.

In addition, the city or county may appoint an advisory committee consisting of local representatives of those interests which are likely to be affected and shall consider the recommendations of the advisory committee in adopting the ordinance. The ordinance may not be effective until appropriate signs are erected indicating the highways or highway portions affected by the ordinance.

This subdivision shall only become operative upon the adoption of an enabling ordinance by a city or county.

(f) Whenever, in the judgment of the Department of Transportation, any state highway cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, the director, in consultation with the Department of the California Highway Patrol, shall compile data on total traffic volume, frequency of use by vehicles covered by this subdivision, accidents involving these vehicles, and other relevant data to assess whether these vehicles are a threat to public safety and should be excluded from the highway or highway segment. The study, containing the conclusions and recommendations of the director, shall be submitted to the Secretary of the Business, Transportation and Housing Agency. Unless otherwise notified by the secretary, the director shall hold public hearings in accordance with the procedures set forth in Article 3 (commencing with Section 35650) of Chapter 5 for the purpose of determining the maximum kingpin to rear axle length, which shall be not less than 38 feet, that the highway or highway segment can sustain without unreasonable threat to the safety of the public. Upon the basis of the findings, the Director of Transportation shall declare in writing the maximum kingpin to rear axle lengths which can be maintained with safety upon the highway. Following the declaration of maximum lengths as provided by this subdivision, the Department of Transportation shall erect suitable signs at each end of the affected portion of the highway and at any other points that the Department of Transportation determines to be necessary to give adequate notice of the length limits.

The Department of Transportation, in consultation with the Department of the California Highway Patrol, shall compile traffic volume, geometric, and other relevant data, to assess the maximum kingpin to rearmost axle distance of vehicle combinations appropriate for those state highways or portion of highways, affected by this section, that cannot safely accommodate trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400. On or before January 1, 1989, the department shall erect suitable signs appropriately restricting

truck travel on those highways, or portions of highways, and report its findings and recommendations to the Legislature.

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 facilitate the transport of agricultural products from the field at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 6

An act to amend Section 13307 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 8, 2006. Filed with  
Secretary of State February 8, 2006.]

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

SECTION 1. Section 13307 of the Elections Code is amended to read:

13307. (a) (1) Each candidate for nonpartisan elective office in any local agency, including any city, county, city and county, or district, may prepare a candidate's statement on an appropriate form provided by the elections official. The statement may include the name, age and occupation of the candidate and a brief description, of no more than 200 words, of the candidate's education and qualifications expressed by the candidate himself or herself. However, the governing body of the local agency may authorize an increase in the limitations on words for the statement from 200 to 400 words. The statement shall not include the party affiliation of the candidate, nor membership or activity in partisan political organizations.

(2) The statement authorized by this subdivision shall be filed in the office of the elections official when the candidate's nomination papers are returned for filing, if it is for a primary election, or for an election for offices for which there is no primary. The statement shall be filed in the office of the elections official no later than the 88th day before the election, if it is for an election for which nomination papers are not required to be filed. If a runoff election or general election occurs within 88 days of the primary or first election, the statement shall be filed with

the elections official by the third day following the governing body's declaration of the results from the primary or first election.

(3) Except as provided in Section 13309, the statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5 p.m. of the next working day after the close of the nomination period.

(4) Notwithstanding paragraph (2) of this subdivision, a candidate for a judicial office shall have until 5 p.m. on the 83rd day before the election to file a candidate statement as authorized by this section. This paragraph 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.

(b) The elections official shall send to each voter, together with the sample ballot, a voter's pamphlet which contains the written statements of each candidate that is prepared pursuant to this section. The statement of each candidate shall be printed in type of uniform size and darkness, and with uniform spacing. The elections official shall provide a Spanish translation to those candidates who wish to have one, and shall select a person to provide that translation from the list of approved Spanish language translators and interpreters of the superior court of the county or from an institution accredited by the Western Association of Schools and Colleges.

(c) The local agency may estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the federal Voting Rights Act of 1965, as amended. The local agency may require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the receipt for the payment shall include a written notice that the estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the elections official is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the elections official may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the elections official shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election.

(d) Nothing in this section shall be deemed to make any statement or the authors thereof free or exempt from any civil or criminal action or

penalty because of any false, slanderous, or libelous statements offered for printing or contained in the voter's pamphlet.

(e) Before the nominating period opens, the local agency for that election shall determine whether a charge shall be levied against that candidate for the candidate's statement sent to each voter. This decision shall not be revoked or modified after the seventh day prior to the opening of the nominating period. A written statement of the regulations with respect to charges for handling, packaging, and mailing shall be provided to each candidate or his or her representative at the time he or she picks up the nomination papers.

(f) For purposes of this section and Section 13310, the board of supervisors shall be deemed the governing body of judicial elections.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow candidates for judicial office to determine whether they will have an opponent for the June 2006 election, it is necessary that this act take immediate effect.

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## CHAPTER 7

An act to amend Section 14133.23 of the Welfare and Institutions Code, and to amend Section 2 of Chapter 2 of the Statutes of 2006, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 9, 2006. Filed with  
Secretary of State February 9, 2006.]

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

SECTION 1. Section 14133.23 of the Welfare and Institutions Code is amended to read:

14133.23. (a) To the extent that federal financial participation is not available, the provision of drug benefits under this chapter to full-benefit dual eligible beneficiaries who are eligible for drug benefits under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a Medicare Advantage-Prescription Drug plan (MA-PD plan) under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.), is eliminated, except as otherwise provided under this section.

(b) (1) Notwithstanding any other provision of law, only drug benefits for which federal financial participation is available shall be provided under this chapter to a full-benefit dual eligible beneficiary, except as otherwise provided under subdivision (c).

(2) As a benefit under this chapter, the department, subject to the approval of the Department of Finance and only to the extent that federal financial participation is available, may elect to provide a drug or drugs in a class of drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) to full-benefit dual eligible beneficiaries.

(3) As a benefit under this chapter, and only to the extent that federal financial participation is available, the department shall provide a drug or drugs to full-benefit dual eligible beneficiaries who are otherwise eligible to receive the drug or drugs due to their entitlement under Title 42 United States Code, Chapter 7, Title XVIII, Part A or their enrollment under Title 42 United States Code, Chapter 7, Title XVIII, Part B.

(4) Except as provided under paragraph (3) and subdivision (c), nothing in this section shall be interpreted to require the department to provide any drug or drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) if federal financial participation is not available.

(c) (1) The department shall review the drug formularies of prescription drug plans under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) available to full-benefit dual eligible beneficiaries.

(2) The department shall develop a process that would allow the department to provide to a full-benefit dual eligible beneficiary, on an emergency basis only, coverage for a drug or drugs not included on the full-benefit dual eligible beneficiary's prescription drug plan's formulary or by prior authorization under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) for which federal financial participation is not available.

(3) Only to the extent that the Legislature made a specific appropriation to fund the provision of emergency drug benefits for which federal financial participation is not available to full-benefit dual eligible beneficiaries, the department shall provide, through the process described



in paragraph (2), these emergency drug benefits to a full-benefit dual eligible beneficiary only when all of the following conditions are met:

(A) The drug is not available to the full-benefit dual eligible beneficiary under his or her plan's drug formulary or by prior authorization.

(B) The pharmacist provides or dispenses the drug as an emergency service.

(C) The quantity of the drug provided or dispensed is no greater than a 60-day supply.

(D) The pharmacist has not previously provided or dispensed nor has knowledge that another pharmacist has provided or dispensed the same drug for that full-benefit dual eligible beneficiary on or after January 1, 2006.

(E) The date of service is from January 1, 2006, through December 31, 2006, inclusive.

(4) The department may impose a pre- or post-service prepayment or postpayment review or audit, to review the medical necessity of emergency services provided to full-benefit dual eligible beneficiaries.

(d) The department shall seek approval of any amendments to the state plan necessary to implement this section as required by Title XIX of the Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret or make specific this section by means of all county letters, provider bulletins, or similar instructions. Thereafter, the department may adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) (1) Notwithstanding any other provision of this section, and only to the extent that funds are appropriated for this purpose, the department shall provide on a time-limited basis, as described in paragraphs (7) and (8), drug benefits to a full-benefit dual eligible beneficiary who is not able to obtain drug benefits from his or her Medicare Drug Plan only when one or more of the following conditions are met:

(A) The pharmacy has submitted a claim for the provision of drug benefits to the full-benefit dual eligible beneficiary's Medicare Drug Plan and the claim has been denied payment for reasons other than processing errors or omissions made by the pharmacy, lack of medical necessity, or health or safety reasons.

(B) The pharmacy is unable to submit a claim for the provision of drug benefits solely due to the unavailability of complete or accurate Medicare Drug Plan enrollment information from the full-benefit dual eligible beneficiary's Medicare Drug Plan, the federal Centers for

Medicare and Medicaid Services, or entities under contract with the Centers for Medicare and Medicaid Services to provide enrollment information.

(C) The Medicare Drug Plan provides information that the full-benefit dual eligible beneficiary's deductible or copayment amount is higher than the copayment amounts that are established by Medicare for full-benefit dual eligible beneficiaries.

(2) The director may impose a pre- or post-service prepayment or postpayment review or audit to determine whether a pharmacy has accurately and in good faith established the existence of any condition certified by the pharmacy pursuant to subparagraph (A), (B), or (C) of paragraph (1) in support of a submitted claim to the department.

(3) If the claim submitted by the pharmacy to the Medicare Drug Plan meets the circumstances described in subparagraph (C) of paragraph (1), the department shall pay the Medi-Cal rate less the Medicare Drug Plan reimbursement amount and the Medicare copayment amount.

(4) To obtain reimbursement from the department, a pharmacy must be an enrolled provider in the Medi-Cal program and certify on its claims under penalty of perjury that one of the conditions specified in paragraph (1) exists.

(5) The department shall seek reimbursement from the federal government of all funds spent to comply with the provisions of this subdivision.

(6) To the extent that the department reimburses a pharmacy for claims authorized under this subdivision, the director shall have the right to recover or recoup the full cost expended by the state for that reimbursement from the full-benefit dual eligible beneficiary's Medicare Drug Plan.

(7) Reimbursement for claims authorized under this subdivision shall be limited to those drug benefits provided to a full-benefit dual eligible beneficiary from January 12, 2006, to February 15, 2006, inclusive.

(8) After February 15, 2006, the Governor may, upon notice to the Joint Legislative Budget Committee, extend coverage for drug benefits to a full-benefit dual eligible beneficiary for coverage periods of up to 30 days each. In no event shall the reimbursement authorized by this paragraph extend beyond May 16, 2006.

(9) Any drug benefits made available to full-benefit dual eligible beneficiaries under the authority of this subdivision shall be limited to the funds appropriated by the Legislature to the department for this purpose. These drug benefits shall not be deemed to be an entitlement.

(g) (1) For the purposes of this section, a "full-benefit dual eligible beneficiary" means an individual who meets both of the following criteria:

(A) The beneficiary is eligible or would be eligible for coverage for the month for covered Part D drugs under a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(B) Notwithstanding any other provision of this section, the beneficiary is determined eligible for full-scope services, including drug benefits, for which federal financial participation is available.

(2) For the purposes of this section, “Medicare Drug Plan” means a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(h) Subdivisions (a) and (b) and paragraph (3) of subdivision (c) shall become operative on January 1, 2006.

SEC. 2. Section 2 of Chapter 2 of the Statutes of 2006 is amended to read:

Sec. 2. There is hereby appropriated from the General Fund the following sums:

(a) The sum of one hundred twenty-seven million five hundred thousand dollars (\$127,500,000) to the State Department of Health Services to implement subdivision (f) of Section 14133.23 of the Welfare and Institutions Code, as amended during the 2006 portion of the 2005–06 Regular Session. On June 30, 2007, the remaining balance of the appropriation made under this subdivision shall be reverted back to the General Fund.

(b) The sum of twenty-two million five hundred thousand dollars (\$22,500,000) for expenditure for the 2005–06 fiscal year in augmentation of, and for the purposes provided in, Item 9840-001-0001 of Section 2.00 of the Budget Act of 2005 (Chapter 38, Statutes of 2005).

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that Medi-Cal beneficiaries receive prescription drug benefits without delay or extra cost, it is necessary that this act take effect immediately.

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## CHAPTER 8

An act to amend Section 14105.19 of the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 17, 2006. Filed with  
Secretary of State February 17, 2006.]

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

SECTION 1. Section 14105.19 of the Welfare and Institutions Code is amended to read:

14105.19. (a) Due to the significant state budget deficit projected for the 2003–04 fiscal year, and in order to implement changes in the level of funding for health care services, the Director of Health Services shall reduce provider payments as specified in this section.

(b) (1) (A) Payments shall be reduced by 5 percent for Medi-Cal program services for dates of service on and after January 1, 2004. However, on the effective date of the act that amended this paragraph during the 2005 Regular Session, the reduction described in this paragraph shall not apply with respect to Medi-Cal program services for dates of service from January 1, 2004, to December 31, 2005, inclusive.

(B) The reductions described in subparagraph (A) shall not apply with respect to Medi-Cal program services for dates of service commencing 14 days after the effective date of the act that added this subparagraph and ending on January 1, 2007, to the extent that federal financial participation is available for the increase provided for in this subparagraph. However, this subparagraph shall not apply to the reduction provided for pursuant to paragraph (3).

(2) Payments shall be reduced by 5 percent for non-Medi-Cal programs described in Section 14105.18, for dates of service on and after January 1, 2004.

(3) The payments made to managed health care plans shall be reduced by the actuarial equivalent amount of 5 percent at the time of the plan's next rate determination.

(4) Reductions to payments for durable medical equipment shall be made at the discretion of the director. If any reduction is made pursuant to this paragraph, the reduction may not exceed 5 percent.

(c) The services listed below shall be exempt from the payment reductions specified in subdivision (b):

- (1) Acute hospital inpatient services.
- (2) Federally qualified health clinic services.

- (3) Rural health clinic services.
- (4) Outpatient services billed by a hospital.
- (5) Payments to state hospitals or developmental centers.
- (6) Payments to long-term care facilities as defined by the department, including, but not limited to, freestanding nursing facilities, distinct-part nursing facilities, intermediate care facilities for developmentally disabled individuals, subacute care units of skilled nursing facilities, rural swing beds, ventilator weaning services, special treatment program services, adult day health care centers, and hospice room and board services.
- (7) Clinical laboratory or laboratory services as defined in Section 51137.2 of Title 22 of the California Code of Regulations.
- (8) Contract services as designated by the Director of Health Services pursuant to subdivision (e).
- (9) Supplemental reimbursement provided pursuant to Sections 14105.27, 14105.95, and 14105.96.
- (10) Services provided on or after July 1, 2004, through the California Children's Services Program pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code, the Genetically Handicapped Persons Program, pursuant to Article 1 (commencing with Section 125125) of Chapter 2 of Part 5 of Division 106 of the Health and Safety Code, the Child Health and Disability Prevention Program pursuant to Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code, the Multipurpose Senior Services Program pursuant to Chapter 8 (commencing with Section 9560) of Division 8.5, the Breast and Cervical Cancer Early Detection Program established pursuant to Article 1.3 (commencing with Section 104150) of Chapter 2 of Part 1 of Division 103 of the Health and Safety Code, and the breast cancer programs specified in Section 30461.6 of the Revenue and Taxation Code.
- (11) Legend and nonlegend drugs dispensed by pharmacy providers reimbursed pursuant to Section 14105.45, effective September 1, 2004.
  - (d) Subject to the exception for services listed in subdivision (c), the payment reductions required by subdivision (b) shall apply to the services rendered by any provider who may be authorized to bill for the service, including, but not limited to, physicians, podiatrists, nurse practitioners, certified nurse midwives, nurse anesthetists, and organized outpatient clinics.
  - (e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement this section by means of provider bulletin, or similar instruction, without taking regulatory action.

(f) The department shall promptly seek all necessary federal approvals in order to implement this section, including necessary amendments to the state plan.

(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. 2. It is the intent of the Legislature that the State Department of Health Services take all administrative steps necessary to implement expeditiously the amendments to Section 14105.19 of the Welfare and Institutions Code contained in Section 1 of this act.

SEC. 3. There is hereby appropriated to the State Department of Health Services the following sums in order to defray the cost of changes in Medi-Cal reimbursement rates created as a result of the changes to Section 14105.19 of the Welfare and Institutions Code pursuant to Section 1 of this act:

(a) The sum of twenty-two million five hundred thousand dollars (\$22,500,000) from the General Fund, in augmentation of Item 4260-101-0001 of Section 2.00 of the Budget Act of 2005 (Chapter 38 of the Statutes of 2005).

(b) The sum of twenty-two million eight hundred thousand dollars (\$22,800,000) from the Federal Trust Fund, in augmentation of Item 4260-101-0890 of Section 2.00 of the Budget Act of 2005 (Chapter 38 of the Statutes of 2005).

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 ensure that Medi-Cal providers are adequately compensated for their services at the earliest possible time, and thereby ensure the integrity of the Medi-Cal program, it is necessary that this act take effect immediately.

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## CHAPTER 9

An act to amend Section 653w of the Penal Code, relating to crime.

[Approved by Governor February 22, 2006. Filed with  
Secretary of State February 22, 2006.]

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

SECTION 1. Section 653w of the Penal Code is amended to read:

653w. (a) A person is guilty of failure to disclose the origin of a recording or audiovisual work if, for commercial advantage or private financial gain, he or she knowingly advertises or offers for sale or resale, or sells or resells, or causes the rental, sale or resale, or rents, or manufactures, or possesses for these purposes, any recording or audiovisual work, the cover, box, jacket, or label of which does not clearly and conspicuously disclose the actual true name and address of the manufacturer thereof and the name of the actual author, artist, performer, producer, programmer, or group thereon. This section does not require the original manufacturer or authorized licensees of software producers to disclose the contributing authors or programmers.

As used in this section, “recording” means any tangible medium upon which information or sounds are recorded or otherwise stored, including any phonograph record, disc, tape, audio cassette, wire, film, or other medium on which information or sounds are recorded or otherwise stored, but does not include sounds accompanying a motion picture or other audiovisual work.

As used in this section, “audiovisual works” are the physical embodiment of works that consist of related images that are intrinsically intended to be shown using machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects such as films or tapes on which the works are embodied.

(b) Any person who has been convicted of a violation of subdivision (a) shall be punished as follows:

(1) If the offense involves the advertisement, offer for sale or resale, sale, rental, manufacture, or possession for these purposes, of at least 100 articles of audio recordings or 100 articles of audiovisual works described in subdivision (a), the person shall be punished by imprisonment in a county jail not to exceed one year, or by imprisonment in the state prison for two, three, or five years, or by a fine not to exceed two hundred fifty thousand dollars (\$250,000), or by both.

(2) Any other violation of subdivision (a) not described in paragraph (1), shall, upon a first offense, be punished by imprisonment in a county jail not to exceed one year, or by a fine not to exceed twenty-five thousand dollars (\$25,000), or by both.

(3) A second or subsequent conviction under subdivision (a) not described in paragraph (1), shall be punished by imprisonment in a county jail not to exceed one year or in the state prison, or by a fine not to exceed one hundred thousand dollars (\$100,000), or by both.

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.

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## CHAPTER 10

An act to amend Sections 530.5, 530.6, and 530.8 of the Penal Code, relating to crime, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 24, 2006. Filed with  
Secretary of State February 25, 2006.]

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

SECTION 1. Section 530.5 of the Penal Code is amended to read:

530.5. (a) Every person who willfully obtains personal identifying information, as defined in subdivision (b), of another person, and uses that information for any unlawful purpose, including to obtain, or attempt to obtain, credit, goods, services, or medical information in the name of the other person without the consent of that person, is guilty of a public offense, and upon conviction therefor, shall be punished either by imprisonment in a county jail not to exceed one year, a fine not to exceed one thousand dollars (\$1,000), or both that imprisonment and fine, or by imprisonment in the state prison, a fine not to exceed ten thousand dollars (\$10,000), or both that imprisonment and fine.

(b) "Personal identifying information," as used in this section, means the name, address, telephone number, health insurance identification number, taxpayer identification number, school identification number, state or federal driver's license number, or identification number, social security number, place of employment, employee identification number, mother's maiden name, demand deposit account number, savings account number, checking account number, PIN (personal identification number) or password, alien registration number, government passport number, date of birth, unique biometric data including fingerprint, facial scan identifiers, voiceprint, retina or iris image, or other unique physical representation, unique electronic data including identification number, address, or routing code, telecommunication identifying information or access device, information contained in a birth or death certificate, or credit card number of a person, or an equivalent form of identification.

(c) In any case in which a person willfully obtains personal identifying information of another person, uses that information to commit a crime in addition to a violation of subdivision (a), and is convicted of that crime, the court records shall reflect that the person whose identity was falsely used to commit the crime did not commit the crime.

(d) Every person who, with the intent to defraud, acquires, transfers, or retains possession of the personal identifying information, as defined in subdivision (b), of another person is guilty of a public offense, and upon conviction therefor, shall be punished by imprisonment in a county jail not to exceed one year, or a fine not to exceed one thousand dollars (\$1,000), or by both that imprisonment and fine.

(e) Every person who, with the intent to defraud, acquires, transfers, or retains possession of the personal identifying information, as defined in subdivision (b), of another person who is deployed to a location outside of the state is guilty of a public offense, and upon conviction therefor, shall be punished by imprisonment in a county jail not to exceed one year, or a fine not to exceed one thousand five hundred dollars (\$1,500), or by both that imprisonment and fine.

(f) For purposes of this section, “deployed” means that the person has been ordered to serve temporary military duty during a period when a presidential executive order specifies that the United States is engaged in combat or homeland defense and he or she is either a member of the armed forces, or is a member of the armed forces reserve or the National Guard, who has been called to active duty or active service. It does not include temporary duty for the sole purpose of training or processing or a permanent change of station.

(g) For purposes of this section, “person” means a natural person, firm, association, organization, partnership, business trust, company, corporation, limited liability company, or public entity.

SEC. 2. Section 530.6 of the Penal Code is amended to read:

530.6. (a) A person who has learned or reasonably suspects that his or her personal identifying information has been unlawfully used by another, as described in subdivision (a) of Section 530.5, may initiate a law enforcement investigation by contacting the local law enforcement agency that has jurisdiction over his or her actual residence or place of business, which shall take a police report of the matter, provide the complainant with a copy of that report, and begin an investigation of the facts. If the suspected crime was committed in a different jurisdiction, the local law enforcement agency may refer the matter to the law enforcement agency where the suspected crime was committed for further investigation of the facts.

(b) A person who reasonably believes that he or she is the victim of identity theft may petition a court, or the court, on its own motion or

upon application of the prosecuting attorney, may move, for an expedited judicial determination of his or her factual innocence, where the perpetrator of the identity theft was arrested for, cited for, or convicted of a crime under the victim's identity, or where a criminal complaint has been filed against the perpetrator in the victim's name, or where the victim's identity has been mistakenly associated with a record of criminal conviction. Any judicial determination of factual innocence made pursuant to this section may be heard and determined upon declarations, affidavits, police reports, or other material, relevant, and reliable information submitted by the parties or ordered to be part of the record by the court. Where the court determines that the petition or motion is meritorious and that there is no reasonable cause to believe that the victim committed the offense for which the perpetrator of the identity theft was arrested, cited, convicted, or subject to a criminal complaint in the victim's name, or that the victim's identity has been mistakenly associated with a record of criminal conviction, the court shall find the victim factually innocent of that offense. If the victim is found factually innocent, the court shall issue an order certifying this determination.

(c) After a court has issued a determination of factual innocence pursuant to this section, the court may order the name and associated personal identifying information contained in court records, files, and indexes accessible by the public deleted, sealed, or labeled to show that the data is impersonated and does not reflect the defendant's identity.

(d) A court that has issued a determination of factual innocence pursuant to this section may at any time vacate that determination if the petition, or any information submitted in support of the petition, is found to contain any material misrepresentation or fraud.

(e) The Judicial Council of California shall develop a form for use in issuing an order pursuant to this section.

(f) For purposes of this section, "person" means a natural person, firm, association, organization, partnership, business trust, company, corporation, limited liability company, or public entity.

SEC. 3. Section 530.8 of the Penal Code is amended to read:

530.8. (a) If a person discovers that an application in his or her name for a loan, credit line or account, credit card, charge card, public utility service, mail receiving or forwarding service, office or desk space rental service, or commercial mobile radio service has been filed with any person or entity by an unauthorized person, or that an account in his or her name has been opened with a bank, trust company, savings association, credit union, public utility, mail receiving or forwarding service, office or desk space rental service, or commercial mobile radio service provider by an unauthorized person, then, upon presenting to the person or entity with which the application was filed or the account was

opened a copy of a police report prepared pursuant to Section 530.6 and identifying information in the categories of information that the unauthorized person used to complete the application or to open the account, the person, or a law enforcement officer specified by the person, shall be entitled to receive information related to the application or account, including a copy of the unauthorized person's application or application information and a record of transactions or charges associated with the application or account. Upon request by the person in whose name the application was filed or in whose name the account was opened, the person or entity with which the application was filed shall inform him or her of the categories of identifying information that the unauthorized person used to complete the application or to open the account. The person or entity with which the application was filed or the account was opened shall provide copies of all paper records, records of telephone applications or authorizations, or records of electronic applications or authorizations required by this section, without charge, within 10 business days of receipt of the person's request and submission of the required copy of the police report and identifying information.

(b) Any request made pursuant to subdivision (a) to a person or entity subject to the provisions of Section 2891 of the Public Utilities Code shall be in writing and the requesting person shall be deemed to be the subscriber for purposes of that section.

(c) (1) Before a person or entity provides copies to a law enforcement officer pursuant to subdivision (a), the person or entity may require the requesting person to submit a signed and dated statement by which the requesting person does all of the following:

(A) Authorizes disclosure for a stated period.

(B) Specifies the name of the agency or department to which the disclosure is authorized.

(C) Identifies the types of records that the requesting person authorizes to be disclosed.

(2) The person or entity shall include in the statement to be signed by the requesting person a notice that the requesting person has the right at any time to revoke the authorization.

(d) (1) A failure to produce records pursuant to subdivision (a) shall be addressed by the court in the jurisdiction in which the victim resides or in which the request for information was issued. At the victim's request, the Attorney General, the district attorney, or the prosecuting city attorney may file a petition to compel the attendance of the person or entity in possession of the records, as described in subdivision (a), and order the production of the requested records to the court. The petition shall contain a declaration from the victim stating when the request for information was made, that the information requested was

not provided, and what response, if any, was made by the person or entity. The petition shall also contain copies of the police report prepared pursuant to Section 530.6 and the request for information made pursuant to this section upon the person or entity in possession of the records, as described in subdivision (a), and these two documents shall be kept confidential by the court. The petition and copies of the police report and the application shall be served upon the person or entity in possession of the records, as described in subdivision (a). The court shall hold a hearing on the petition no later than 10 court days after the petition is served and filed. The court shall order the release of records to the victim as required pursuant to this section.

(2) In addition to any other civil remedy available, the victim may bring a civil action against the entity for damages, injunctive relief or other equitable relief, and a penalty of one hundred dollars (\$100) per day of noncompliance, plus reasonable attorneys' fees.

(e) For the purposes of this section, the following terms have the following meanings:

(1) "Application" means a new application for credit or service, the addition of authorized users to an existing account, the renewal of an existing account, or any other changes made to an existing account.

(2) "Commercial mobile radio service" means "commercial mobile radio service" as defined in Section 20.3 of Title 47 of the Code of Federal Regulations.

(3) "Law enforcement officer" means a peace officer as defined by Section 830.1.

(4) "Person" means a natural person, firm, association, organization, partnership, business trust, company, corporation, limited liability company, or public entity.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide business in California with timely protection from the growing problem of identity theft, it is necessary that this bill take effect immediately.

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## CHAPTER 11

An act to add Sections 39616.5 and 43700.1 to the Health and Safety Code, relating to emissions.

[Approved by Governor February 24, 2006. Filed with  
Secretary of State February 25, 2006.]

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

SECTION 1. Section 39616.5 is added to the Health and Safety Code, to read:

39616.5. (a) The state board shall not adopt any regulation that excludes the importation of compliant diesel fuel by entities that do not have refineries in California.

(b) For the purposes of this section, “compliant diesel fuel” means a diesel fuel that complies with the designated equivalent limits in paragraph (1) of subdivision (h) of Section 2282 of Title 13 of the California Code of Regulations.

(c) The state board may designate a fuel as a compliant diesel fuel if an importer demonstrates that the relevant properties of the diesel fuel to be imported are equivalent to the properties of California Air Resources Board (CARB) diesel fuel blends being certified for sale in California.

(d) For the purposes of this section, “relevant properties” include all of the following:

- (1) Aromatic hydrocarbon content.
- (2) Polycyclic aromatic hydrocarbon content.
- (3) API gravity.
- (4) Cetane number.
- (5) Nitrogen content.
- (6) Sulfur content.

SEC. 2. Section 43700.1 is added to the Health and Safety Code, to read:

43700.1. (a) The state board shall convene a panel of interested parties to develop a test protocol for the evaluation of California Air Resources Board (CARB) diesel fuel, and to recommend to the executive

officer of the state board a subsequent test program that measures the emissions benefits of CARB diesel fuel.

(b) No later than December 31, 2007, the state board shall complete the test program described in subdivision (a), and shall submit the results of the test program to the Senate Committee on Environmental Quality, the Senate Committee on Transportation and Housing, and the Assembly Committee on Transportation.

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## CHAPTER 12

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

[Approved by Governor March 23, 2006. Filed with  
Secretary of State March 23, 2006.]

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

SECTION 1. The sum of one million eighty-five thousand one hundred dollars (\$1,085,100) is hereby appropriated from the General Fund to the Executive Officer of the California Victim Compensation and Government Claims Board for the payment of claims accepted by the board and reported to the Legislature pursuant to Section 4904 of the Penal Code, as follows:

(a) Three hundred twenty-eight thousand two hundred dollars (\$328,200) for payment of Claim No. 554383 (In the Matter of Peter J. Rose).

(b) Seven hundred fifty-six thousand nine hundred dollars (\$756,900) for payment of Claim No. 550140 (In the Matter of Kenneth Marsh).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

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## CHAPTER 13

An act to amend Section 12716 of the Government Code, relating to gaming, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 2006. Filed with  
Secretary of State March 28, 2006.]

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

SECTION 1. Section 12716 of the Government Code is amended to read:

12716. Each county that administers grants from the Indian Gaming Special Distribution Fund shall provide an annual report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the Senate and Assembly committees on governmental organization, and the California Gambling Control Commission by October 1 of each year detailing the specific projects funded by all grants in the county's jurisdiction in the previous fiscal year, including amounts expended in that fiscal year, but funded from appropriations in prior fiscal years. The report shall provide detailed information on the following:

- (a) The amount of grant funds received by the county.
- (b) A description of each project that is funded.
- (c) A description of how each project mitigates the impact of tribal gaming.
- (d) The total expenditures for each project.
- (e) All administrative costs related to each project, excluding the county's administrative fee.
- (f) The funds remaining at the end of the fiscal year for each project.
- (g) An explanation regarding how any remaining funds will be spent for each project, including the estimated time for expenditure.
- (h) A description of whether each project is funded once or on a continuing basis.

SEC. 2. The sum of twenty million dollars (\$20,000,000) is hereby appropriated from the Indian Gaming Special Distribution Fund, in augmentation of Item 0855-101-0367 of Section 2.00 of the Budget Act of 2005, to provide for grants to local government agencies pursuant to Section 12715 of the Government Code.

SEC. 3. It is the intent of the Legislature that the funds appropriated in Section 2 of this act be used for the workload associated with compacts ratified pursuant to Section 12012.25 of the Government Code.

SEC. 4 This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary that local government agencies have immediate access to the funds appropriated by this act in order to address the impacts of tribal gaming.

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## CHAPTER 14

An act to amend Section 1246 of the Business and Professions Code, relating to healing arts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 29, 2006. Filed with  
Secretary of State March 29, 2006.]

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

SECTION 1. Section 1246 of the Business and Professions Code is amended to read:

1246. (a) Except as provided in subdivisions (b) and (c), and in Section 23158 of the Vehicle Code, an unlicensed person employed by a licensed clinical laboratory may perform venipuncture or skin puncture for the purpose of withdrawing blood or for clinical laboratory test purposes upon specific authorization from a licensed physician and surgeon provided that he or she meets both of the following requirements:

(1) He or she works under the supervision of a person licensed under this chapter or of a licensed physician and surgeon or of a licensed registered nurse. A person licensed under this chapter, a licensed physician or surgeon, or a registered nurse shall be physically available to be summoned to the scene of the venipuncture within five minutes during the performance of those procedures.

(2) He or she has been trained by a licensed physician and surgeon or by a clinical laboratory bioanalyst in the proper procedure to be employed when withdrawing blood in accordance with training requirements established by the State Department of Health Services and has a statement signed by the instructing physician and surgeon or by the instructing clinical laboratory bioanalyst that the training has been successfully completed.

(b) (1) On and after the effective date of the regulations specified in paragraph (2), any unlicensed person employed by a clinical laboratory

performing the duties described in this section shall possess a valid and current certification as a certified phlebotomy technician issued by the department. However, an unlicensed person employed by a clinical laboratory to perform these duties pursuant to subdivision (a) on that date shall have until January 1, 2007, to comply with this requirement, provided that he or she has submitted the application to the department on or before July 1, 2006.

(2) The department shall adopt regulations for certification by January 1, 2001, as a certified phlebotomy technician that shall include all of the following:

(A) The applicant shall hold a valid, current certification as a phlebotomist issued by a national accreditation agency approved by the department, and shall submit proof of that certification when applying for certification pursuant to this section.

(B) The applicant shall complete education, training, and experience requirements as specified by regulations that shall include, but not be limited to, the following:

- (i) At least 40 hours of didactic instruction.
- (ii) At least 40 hours of practical instruction.
- (iii) At least 50 successful venipunctures.

However, an applicant who has been performing these duties pursuant to subdivision (a) may be exempted from the requirements specified in clauses (ii) and (iii), and from 20 hours of the 40 hours of didactic instruction as specified in clause (i), if he or she has at least 1,040 hours of work experience, as specified in regulations adopted by the department.

It is the intent of the Legislature to permit persons performing these duties pursuant to subdivision (a) to use educational leave provided by their employers for purposes of meeting the requirements of this section.

(3) Each certified phlebotomy technician shall complete at least three hours per year or six hours every two years of continuing education or training. The department shall consider a variety of programs in determining the programs that meet the continuing education or training requirement.

(4) He or she has been found to be competent in phlebotomy by a licensed physician and surgeon or person licensed pursuant to this chapter.

(5) He or she works under the supervision of a licensed physician and surgeon, licensed registered nurse, or person licensed under this chapter, or the designee of a licensed physician and surgeon or the designee of a person licensed under this chapter.

(6) The department shall adopt regulations establishing standards for approving training programs designed to prepare applicants for certification pursuant to this section. The standards shall ensure that

these programs meet the state's minimum education and training requirements for comparable programs.

(7) The department shall adopt regulations establishing standards for approving national accreditation agencies to administer certification examinations and tests pursuant to this section.

(8) The department shall charge fees for application for and renewal of the certificate authorized by this section of no more than twenty-five dollars (\$25).

(c) (1) (A) A certified phlebotomy technician may perform venipuncture or skin puncture to obtain a specimen for nondiagnostic tests assessing the health of an individual, for insurance purposes, provided that the technician works under the general supervision of a physician and surgeon licensed under Chapter 5 (commencing with Section 2000). The physician and surgeon may delegate the general supervision duties to a registered nurse or a person licensed under this chapter, but shall remain responsible for ensuring that all those duties and responsibilities are properly performed. The physician and surgeon shall make available to the department, upon request, records maintained documenting when a certified phlebotomy technician has performed venipuncture or skin puncture pursuant to this paragraph.

(B) As used in this paragraph, general supervision requires the supervisor of the technician to determine that the technician is competent to perform venipuncture or skin puncture prior to the technician's first blood withdrawal, and on an annual basis thereafter. The supervisor is also required to determine, on a monthly basis, that the technician complies with appropriate venipuncture or skin puncture policies and procedures approved by the medical director and required by state regulations. The supervisor, or another designated licensed physician and surgeon, registered nurse, or person licensed under this chapter, shall be available for consultation with the technician, either in person or through telephonic or electronic means, at the time of blood withdrawal.

(2) (A) Notwithstanding any other provision of law, a person who has been issued a certified phlebotomy technician certificate pursuant to this section may draw blood following policies and procedures approved by a physician and surgeon licensed under Chapter 5 (commencing with Section 2000), appropriate to the location where the blood is being drawn and in accordance with state regulations. The blood collection shall be done at the request and in the presence of a peace officer for forensic purposes in a jail, law enforcement facility, or medical facility, with general supervision.

(B) As used in this paragraph, "general supervision" means that the supervisor of the technician is licensed under this code as a physician and surgeon, physician assistant, clinical laboratory bioanalyst, registered

nurse, or clinical laboratory scientist, and reviews the competency of the technician before the technician may perform blood withdrawals without direct supervision, and on an annual basis thereafter. The supervisor is also required to review the work of the technician at least once a month to ensure compliance with venipuncture policies, procedures, and regulations. The supervisor, or another person licensed under this code as a physician and surgeon, physician assistant, clinical laboratory bioanalyst, registered nurse, or clinical laboratory scientist, shall be accessible to the location where the technician is working to provide onsite, telephone, or electronic consultation, within 30 minutes when needed.

(d) The department may adopt regulations providing for the issuance of a certificate to an unlicensed person employed by a clinical laboratory authorizing only the performance of skin punctures for test purposes.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the residents of the state to avoid confronting delays in laboratory testing due to a shortage of certified phlebotomy technicians, it is necessary that this act take effect immediately.

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## CHAPTER 15

An act to amend Section 6145 of the Business and Professions Code, relating to attorneys.

[Approved by Governor March 29, 2006. Filed with  
Secretary of State March 29, 2006.]

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

SECTION 1. Section 6145 of the Business and Professions Code is amended to read:

6145. (a) The board shall engage the services of an independent national or regional public accounting firm with at least five years experience in governmental auditing for an audit of its financial statement for each fiscal year. The financial statement shall be promptly certified under oath by the Treasurer of the State Bar, and a copy of the audit and financial statement shall be submitted within 120 days of the close of the fiscal year to the board, to the Chief Justice of the Supreme Court, and to the Assembly and Senate Committees on Judiciary.

The audit shall examine the receipts and expenditures of the State Bar and the State Bar sections, to assure that the receipts of the sections are being applied, and their expenditures are being made, in compliance with subdivision (a) of Section 6031.5, and that the receipts of the sections are applied only to the work of the sections.

The audit also shall examine the receipts and expenditures of the State Bar to ensure that the funds collected on behalf of the Conference of Delegates of California Bar Associations as the independent successor entity to the former Conference of Delegates of the State Bar are conveyed to that entity, that the State Bar has been paid or reimbursed for the full cost of any administrative and support services provided to the successor entity, including the collection of fees or donations on its behalf, and that no mandatory dues are being used to fund the activities of the successor entity.

In selecting the accounting firm, the board shall consider the value of continuity, along with the risk that continued long-term engagements of an accounting firm may affect the independence of that firm.

(b) The board shall contract with the Bureau of State Audits to conduct a performance audit of the State Bar's operations from July 1, 2000, to December 31, 2000, inclusive. A copy of the performance audit shall be submitted by May 1, 2001, to the board, to the Chief Justice of the Supreme Court, and to the Assembly and Senate Committees on Judiciary.

Every two years thereafter, the board shall contract with the Bureau of State Audits to conduct a performance audit of the State Bar's operations for the respective fiscal year, commencing with January 1, 2002, through December 31, 2002, inclusive. A copy of the performance audit shall be submitted within 120 days of the close of the fiscal year for which the audit was performed to the board, to the Chief Justice of the Supreme Court, and to the Assembly and Senate Committees on Judiciary.

For the purposes of this subdivision, the Bureau of State Audits may contract with a third party to conduct the performance audit. This subdivision is not intended to reduce the number of audits the Bureau of State Audits may otherwise be able to conduct.

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## CHAPTER 16

An act to amend Sections 7863, 8276.2, 8276.3, 8279.1, 8280.1, 8280.2, 8280.3, 8280.4, 8280.5, and 8280.6 of the Fish and Game Code, relating to fish and game, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 31, 2006. Filed with  
Secretary of State March 31, 2006.]

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

SECTION 1. Section 7863 of the Fish and Game Code is amended to read:

7863. This article shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 8276.2 of the Fish and Game Code is amended to read:

8276.2. (a) The director may order a delay in the opening of the Dungeness crab fishery after December 1 in Districts 6, 7, 8, and 9 in any year. The delay in the opening shall not be later than January 15 of any year.

(b) On or about November 1 of each year, the director may authorize one or more operators of commercial fishing vessels to take and land a limited number of Dungeness crab for the purpose of quality testing according to a testing program conducted by, or on behalf of, the Pacific States Marine Fisheries Commission or an entity approved by the department. The department shall not approve a testing program unless it is funded by the entity authorized to conduct the testing program. Crab taken pursuant to this section shall not be sold; however, any edible crabmeat recovered from the crabs tested shall not be wasted and may be used for charitable purposes.

(c) The director shall order the opening of the Dungeness crab season in Districts 6, 7, 8, and 9 on December 1 if the quality tests authorized in subdivision (b) indicate the Dungeness crabs are not soft-shelled or low quality. The entity authorized to conduct the approved testing program may test, or cause to be tested, crabs taken for quality and soft shells pursuant to the approved testing program. If the tests are conducted on or about November 1 and result in a finding that Dungeness crabs are soft-shelled or low quality, the director shall authorize a second test to be conducted on or about November 15 pursuant to the approved testing program. If the second test results in a finding that Dungeness crabs are soft-shelled or low quality, the director may order the season opening delayed for a period of 15 days and may authorize a third test to be conducted on or about December 1. If the third test results in a finding that Dungeness crabs remain soft-shelled or of low quality, the director may order the season opening delayed for a period of an additional 15 days and authorize a fourth test to be conducted. This procedure may continue to be followed, except that no tests shall be



conducted after January 1 for that season, and the season opening shall not be delayed by the director later than January 15.

(d) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 8276.3 of the Fish and Game Code is amended to read:

8276.3. (a) If there is any delay ordered by the director pursuant to Section 8276.2 in the opening of the Dungeness crab fishery in Districts 6, 7, 8, and 9, a vessel may not take or land crab within Districts 6, 7, 8, and 9 during any closure.

(b) If there is any delay in the opening of the Dungeness crab season pursuant to Section 8276.2, the opening date in Districts 6, 7, 8, and 9 shall be preceded by a 36-hour gear setting period, as ordered by the director.

(c) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 8279.1 of the Fish and Game Code is amended to read:

8279.1. (a) No person shall take, possess onboard, or land Dungeness crab for commercial purposes from any vessel in ocean waters in District 6, 7, 8, or 9 for 30 days after the opening of the Dungeness crab fishing season in California, if both of the following events have occurred:

(1) The opening of the season has been delayed pursuant to state law in California.

(2) The person has taken, possessed onboard, or landed Dungeness crab for commercial purposes, from ocean waters outside of District 6, 7, 8, or 9, prior to the opening of the season in those districts.

(b) No person shall take, possess onboard, or land Dungeness crab for commercial purposes from any vessel in ocean waters south of the border between Oregon and California for 30 days after the opening of the Dungeness crab fishing season in California, if both of the following events have occurred:

(1) The opening of the season has been delayed pursuant to state law in California.

(2) The person has taken, possessed onboard, or landed Dungeness crab for commercial purposes in Oregon or Washington prior to the opening of the season in California.

(c) No person shall take, possess onboard, or land Dungeness crab for commercial purposes from any vessel in ocean waters north of the

border between Oregon and California for 30 days after the opening of the Dungeness crab fishing season in Oregon or Washington, if both of the following events have occurred:

(1) The opening of the season has been delayed in Oregon or Washington.

(2) The person has taken, possessed onboard, or landed Dungeness crab for commercial purposes in California prior to the opening of the season in ocean waters off Oregon or Washington.

(d) No person shall take, possess onboard, or land Dungeness crab for commercial purposes from any vessel in ocean waters off Washington, Oregon, or California for 30 days after the opening of the Dungeness crab fishing season in California, Oregon, or Washington, if both of the following events have occurred:

(1) The opening of the season has been delayed in Washington, Oregon, or California.

(2) The person has taken, possessed onboard, or landed Dungeness crab for commercial purposes in either of the two other states prior to the delayed opening in the ocean waters off any one of the three states.

(e) A violation of this section shall not constitute a misdemeanor. Pursuant to Section 7857, the commission shall revoke the Dungeness crab vessel permit held by any person who violates this section.

(f) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 8280.1 of the Fish and Game Code is amended to read:

8280.1. (a) No person shall use a vessel to take, possess, or land Dungeness crab for commercial purposes using Dungeness crab traps authorized pursuant to Section 9011, unless the owner of that vessel has a Dungeness crab vessel permit for that vessel that has not been suspended or revoked. This section does not apply to a commercially registered fishing vessel when it is being used solely to assist a permitted vessel transport or set traps.

(b) A Dungeness crab vessel permit may be issued only to the following persons for use on qualifying vessels:

(1) A person, who has a commercial fishing license issued pursuant to Section 7852 or Article 7 (commencing with Section 8030) of Chapter 1 that has not been suspended or revoked, who is the owner of a commercial fishing vessel that has been registered with the department pursuant to Section 7881 in each of the 1991–92, 1992–93, and 1993–94 permit years and a minimum of four landings in each of three Dungeness crab seasons in the period from November 1, 1984, to April 1, 1994,

have been made from that vessel. This paragraph includes any person purchasing a vessel qualifying pursuant to this paragraph.

(2) A person who has a commercial fishing license issued pursuant to Section 7852 or Article 7 (commencing with Section 8030) of Chapter 1 that has not been suspended or revoked, who is the owner of a commercial fishing vessel that has been registered with the department pursuant to Section 7881 in each of the 1991–92, 1992–93, and 1993–94 permit years and a minimum of four landings in one of the Dungeness crab seasons in the period from November 1, 1984, to April 1, 1994, have been made from that vessel in this state as documented by landing receipts delivered to the department pursuant to Section 8046, who the department finds to have been unable, due to illness or injury or any other hardship, to make a minimum of four landings in each of two of the previous three Dungeness crab seasons, and who, in good faith, intended to participate in the Dungeness crab fishery in those seasons.

(3) A person who has a commercial fishing license issued pursuant to Section 7852 that has not been suspended or revoked, who meets the requirements of Section 8101, and who, notwithstanding Section 8101, is, at the time of application, the owner of a fishing vessel that is not equipped for trawling with a net and that has been registered pursuant to Section 7881 in each of the 1991–92, 1992–93, and 1993–94 permit years. Not more than one Dungeness crab vessel permit shall be issued to any person qualifying under Section 8101 and all permits issued under Section 8101 shall, notwithstanding paragraph (1) of subdivision (a) of Section 8280.3, be nontransferable. A person qualifying for a permit under this paragraph shall have participated in the Dungeness crab fishery on or before March 31, 1994, as documented by landing receipts that were prepared in that person's name for not less than four landings of Dungeness crab taken in a crab trap in a Dungeness crab season and were delivered to the department pursuant to Section 8046. No person shall be issued a permit under this paragraph if that person has been issued a permit under any other provision of this section for another vessel. For purposes of Section 8101, "participated in the fishery" means made not less than four landings of Dungeness crab taken by traps in that person's name in one Dungeness crab season. The department shall separately identify permits issued pursuant to this paragraph and those permits shall become immediately null and void upon the death of the permittee. The department shall not issue or renew any permit under this paragraph to a person if the person failed to meet the participation requirements of four landings in one season prior to April 1, 1994, or has been issued a Dungeness crab permit for a vessel under any other paragraph of this subdivision.

(4) A person who has a commercial fishing license issued pursuant to Section 7852 that has not been suspended or revoked, who meets one of the following conditions:

(A) The person held a Dungeness crab permit issued pursuant to Section 8280 as it read on April 1, 1994, and participated in the Dungeness crab fishery between November 1, 1984, and April 1, 1994, and is the owner of a vessel that has been registered with the department in each of the 1991–92, 1992–93, and 1993–94 permit years but did not make landings or the department records do not indicate a minimum of four landings per season for three Dungeness crab seasons from that vessel or in that person’s name because of a partnership or other working arrangement where the person was working aboard another vessel engaged in the Dungeness crab fishery in California.

(B) The person held a Dungeness crab permit issued under Section 8280 as it read on April 1, 1994, and is the owner of a commercial fishing vessel that has been registered with the department pursuant to Section 7881 in each of the 1991–92, 1992–93, and 1993–94 permit years and from which a minimum of four landings utilizing traps were made in at least one Dungeness crab season in the period between November 1, 1984, and April 1, 1994, and from which either four landings were made utilizing traps or landings in excess of 10,000 pounds were made utilizing traps in each of two other Dungeness crab seasons in that same period, as documented by landing receipts.

(C) The person held a Dungeness crab vessel permit issued under Section 8280 as it read on April 1, 1994, or was an officer in a California corporation that was licensed pursuant to Article 7 (commencing with Section 8030) of Chapter 1 as of April 1, 1994, and began construction or reconstruction of a vessel on or before January 1, 1992, for the purpose of engaging in the Dungeness crab fishery, including the purchase of equipment and gear to engage in that fishery in California. A person may be issued a permit under this condition only if the person intended in good faith to participate in the California Dungeness crab fishery, a denial of a permit would create a financial hardship on that person, and, for purposes of determining financial hardship, the applicant is a nonresident and cannot participate with his or her vessel or vessels in the Dungeness crab fishery of another state because of that state’s limited entry or moratorium on the issuance of permits for the taking of Dungeness crab.

(5) A person who has a commercial fishing license issued pursuant to Section 7852 that has not been suspended or revoked, who held a Dungeness crab permit issued under Section 8280 as it read on April 1, 1994, who made a minimum of four landings of Dungeness crab taken by traps in each of three Dungeness crab seasons in the period from

November 1, 1984, to April 1, 1994, in his or her name in this state from a vessel owned by that person, as documented by landing receipts, who, between April 1, 1991, and January 1, 1995, purchased, contracted to purchase, or constructed a vessel, not otherwise qualifying pursuant to paragraph (1), (2), or (4), who has continuously owned that vessel since its purchase or construction, and who either (A) has used that vessel for the taking of Dungeness crab in this state on or before March 31, 1995, as documented by one or more landing receipts delivered to the department pursuant to Section 8046, or (B) intended in good faith, based on evidence that the department and the review panel may require, including investment in crab gear, to enter that vessel in this state's Dungeness crab fishery not later than December 1, 1995. Not more than one permit may be issued to any one person under this paragraph.

(6) A person who held a Dungeness crab permit issued under Section 8280 as it read on April 1, 1994, who made a minimum of four landings utilizing traps in this state in each of three Dungeness crab seasons in the period between November 1, 1984, and April 1, 1994, in his or her name from a vessel operated by that person as documented by landing receipts, who currently does not own a vessel in his or her name, and who has not sold or transferred a vessel otherwise qualifying for a permit under this section. A permit may be issued under this paragraph for a vessel not greater in size than the vessel from which the previous landings were made, and, in no event, for a vessel of more than 60 feet in overall length, to be placed on a vessel that the person purchases or contracts for construction on or before April 1, 1996. A permit issued under this paragraph shall be nontransferable and shall not be used for a vessel not owned by that person, and shall be revoked if the person (A) fails to renew the permit or annually renew his or her commercial fishing license issued pursuant to Section 7852 or (B) is or becomes the owner of another vessel permitted to operate in the Dungeness crab fishery pursuant to this section.

(c) The department may require affidavits offered under penalty of perjury from persons applying for permits under subdivision (b) or from witnesses corroborating the statements of a person applying for a Dungeness crab vessel permit. Affidavits offered under penalty of perjury shall be required of an applicant if the department cannot locate records required to qualify under subdivision (b).

(d) No person shall be issued a Dungeness crab vessel permit under this section for any vessel unless that person has a valid commercial fishing license issued pursuant to Section 7852 that has not been suspended or revoked.

(e) Notwithstanding Section 7852.2 or subdivision (e) of Section 8280.2, the department may issue a Dungeness crab vessel permit that

has not been applied for by the application deadline if the department finds that the failure to apply was a result of a mistake or hardship, as established by evidence the department may require, the late application is made not later than October 15, 1995, and payment is made by the applicant of a late fee of two hundred fifty dollars (\$250) in addition to all other fees for the permit.

(f) The department may waive the requirement that a person own a commercial fishing vessel that has been registered with the department pursuant to Section 7881 in each of the 1991–92, 1992–93, and 1993–94 permit years for one of those required years under this section only if the vessel was registered and used in the California Dungeness crab fishery during the registration year immediately prior to the year for which the waiver is sought and was registered and used in the California Dungeness crab fishery after the year for which the waiver is sought and if the reason for the failure to register in the year for which the waiver is sought was due to a death, illness, or injury, or other hardship, as determined by the review panel, that prevented the vessel from being registered and operated in the fishery for that registration year.

(g) If any person submits false information for the purposes of obtaining a Dungeness crab vessel permit under this section, the department shall revoke that permit, if issued, revoke the person's commercial fishing license that was issued pursuant to Section 7850 for a period of not less than five years, and revoke the commercial boat registration for a period of not less than five years of any vessel registered to that person pursuant to Section 7881 of which that person is the owner.

(h) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 8280.2 of the Fish and Game Code is amended to read:

8280.2. (a) The owner of a Dungeness crab vessel, for purposes of this section, may include a person with a bona fide contract for the purchase of a vessel who otherwise meets all other qualifications for a Dungeness crab vessel permit. If a contract is found to be fraudulent or written or entered into for the purposes of circumventing qualification criteria for the issuance of a permit, the applicant shall be permanently ineligible for a Dungeness crab vessel permit.

(b) A Dungeness crab vessel permit shall be issued only to the person owning the vessel at the time of application for that permit. No person shall be issued more than one permit for each vessel owned by that person and qualifying for a permit pursuant to Section 8280.1.

(c) A Dungeness crab vessel permit shall be issued only to the owner of a vessel taking crab by traps. No permit shall be issued to the owner of a vessel using trawl or other nets unless the owner of that vessel qualifies for a permit pursuant to paragraph (1) of subdivision (b) of Section 8280.1. No trawl or other net vessel authorized under this code to take Dungeness crab incidental to the taking of fish in trawl or other nets shall be required to possess a Dungeness crab vessel permit.

(d) Dungeness crab vessel permits shall not be combined or otherwise aggregated for the purpose of replacing smaller vessels in the fishery with a larger vessel, and a permit shall not be divided or otherwise separated for the purpose of replacing a vessel in the fishery with two or more smaller vessels.

(e) Applications for renewal of all Dungeness crab vessel permits shall be received by the department, or, if mailed, postmarked, by April 30 of each year. In order for a vessel to retain eligibility, a permit shall be obtained each year subsequent to the initial permit year and the vessel shall be registered pursuant to Section 7881. The vessel owner shall have a valid commercial fishing license issued to that person pursuant to Section 7852 that has not been suspended or revoked. No minimum landings of Dungeness crab shall be required annually to be eligible for a Dungeness crab vessel permit.

(f) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 8280.3 of the Fish and Game Code is amended to read:

8280.3. (a) Notwithstanding Article 9 (commencing with Section 8100) of Chapter 1 and except as provided in this section, a Dungeness crab vessel permit shall not be transferred.

(1) The owner of a vessel to whom a Dungeness crab vessel permit has been issued shall transfer the permit for the use of that vessel upon the sale of the vessel by the permitholder to the person purchasing the vessel. Thereafter, upon notice to the department, the person purchasing the vessel may use the vessel for the taking and landing of Dungeness crab for any and all of the unexpired portion of the permit year, and that person is eligible for a permit pursuant to Section 8280.1 for the use of that vessel in subsequent years. The person purchasing the vessel may not transfer the permit for use of that vessel in the Dungeness crab fishery to another replacement vessel during the same permit year.

(2) The owner of a vessel to whom the Dungeness crab vessel permit has been issued may transfer the permit to a replacement vessel of equivalent capacity, except as specified in this section. Thereafter, upon

notice to the department and payment of the transfer fee specified in Section 8280.6, the replacement vessel may be used for the taking and landing of Dungeness crab for any and all of the unexpired portion of the permit year and that person is eligible for a permit pursuant to Section 8280.1 for the use of that replacement vessel in subsequent years.

The owner of a permitted vessel may transfer the permit to a vessel of greater capacity that was owned by that person on or before November 15, 1995, not to exceed 10 feet longer in length overall than the vessel for which the permit was originally issued or to a vessel of greater capacity purchased after November 15, 1995, not to exceed five feet longer in length overall than the vessel for which the permit was originally issued.

The department, upon recommendation of the Dungeness crab review panel, may authorize the owner of a permitted vessel to transfer the permit to a replacement vessel that was owned by that person on or before April 1, 1996, that does not fish with trawl nets that is greater than five feet longer in length overall than the vessel for which the permit was originally issued, if all of the following conditions are satisfied:

(A) A vessel of a larger size is essential to the owner for participation in another fishery other than a trawl net fishery.

(B) The owner held a permit on or before January 1, 1995, for the fishery for which a larger vessel is needed and has participated in that fishery.

(C) The permit for the vessel from which the permit is to be transferred qualified pursuant to paragraph (1) of subdivision (b) of Section 8280.1.

(D) The vessel to which the permit is to be transferred does not exceed 20 feet longer in length overall than the vessel for which the permit was originally issued and the vessel to which the permit is to be transferred does not exceed 60 feet in overall length.

No transfer of a permit to a larger vessel shall be allowed more than one time. If a permit is transferred to a larger vessel, any Dungeness crab vessel permit for that permit year or any subsequent permit years for that larger vessel may not be transferred to another larger vessel. The department shall not thereafter issue a Dungeness crab vessel permit for the use of the original vessel from which the permit was transferred, except that the original vessel may be used to take or land Dungeness crab after that transfer if its use is authorized pursuant to another Dungeness crab vessel permit subsequently transferred to that vessel pursuant to this paragraph.

(3) Upon the written approval of the department, the owner of a vessel to whom the Dungeness crab vessel permit has been issued may temporarily transfer the permit to another replacement vessel, for which use in the Dungeness crab fishery is not permitted pursuant to this section



or Section 8280.1, for a period of not more than six months during the current permit year if the vessel for which the permit was issued is seriously damaged, suffers major mechanical breakdown, or is lost or destroyed, as determined by the department, upon approval of the director. The owner of the vessel shall submit proof that the department may reasonably require to establish the existence of the conditions of this paragraph. Upon approval by the director, the owner of a lost or destroyed vessel granted a six-month temporary transfer under this section may be granted an additional six-month extension of the temporary transfer.

(4) Upon written approval of the department, the owner of a vessel to whom the Dungeness crab vessel permit has been issued may retain that permit upon the sale of that permitted vessel for the purpose of transferring the permit to another vessel to be purchased by that individual within one year of the time of sale of the vessel for which the permit was originally issued if the requirements of this section are satisfied, including the payment of transfer fees. If the permit is not transferred to a new vessel owned by the person to whom the vessel permit was originally issued within one year of the sale of the vessel for which it was originally issued, or if the person does not retain ownership of the new vessel to which the permit is transferred for a period of not less than one year, the permit shall be revoked.

(5) In the event of the death or incapacity of a permitholder, the permit shall be transferred, upon application, to the heirs or assigns, or to the working partner, of the permitholder, together with the transfer of the vessel for which the permit was issued, and the new owner may continue to operate the vessel under the permit, renew the permit, or transfer the permit upon sale of the vessel pursuant to paragraph (1).

(b) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8. Section 8280.4 of the Fish and Game Code is amended to read:

8280.4. (a) The commission may revoke the commercial fishing license issued pursuant to Section 7852 of any person owning a fishing vessel engaging in the taking or landing of Dungeness crab by traps for which that person has not obtained a Dungeness crab vessel permit, and the commission may revoke the registration, issued pursuant to Section 7881, for that vessel.

(b) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is

enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 8280.5 of the Fish and Game Code is amended to read:

8280.5. (a) The director shall convene a Dungeness crab review panel for the purpose of reviewing applications for Dungeness crab vessel permits pursuant to paragraphs (2) and (4) of subdivision (b) of Section 8280.1 and applications for permit transfers pursuant to Section 8280.3 if the department determines that the additional review and advice of the panel will be helpful in deciding whether to issue a permit or approve a transfer.

(b) The panel shall consist of one nonvoting representative of the department and three public voting members selected by the director to represent the Dungeness crab fishing industry. One public member shall be licensed pursuant to Article 7 (commencing with Section 8030) of Chapter 1 and active in Dungeness crab processing in this state. Two public members shall be licensed pursuant to Section 7852, one from Sonoma County or a county south of Sonoma County, and one from Mendocino County or a county north of Mendocino County, and active in the taking and landing of Dungeness crab in this state. The public members shall be reimbursed for their necessary and proper expenses to participate on the panel. A public member shall serve on the panel for not more than four consecutive years.

(c) The panel may conduct its review of applications referred to it by mail or teleconference.

(d) The panel shall review each application for a permit or permit transfer referred to it by the department and shall consider all oral and written evidence presented by the applicant that is pertinent to the application under review. If the panel recommends issuance of a permit or approval of the transfer, the department may issue a Dungeness crab vessel permit pursuant to Section 8280.1 or approve a permit transfer pursuant to Section 8280.3.

(e) All appeals of denials of Dungeness crab vessel permits shall be made to the commission and may be heard by the commission if the appeal of denial is filed in writing with the commission not later than 90 days from the date of a permit denial. The commission may order the department to issue a permit upon appeal if the commission finds that the appellant qualified for a permit under this chapter.

(f) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 10. Section 8280.6 of the Fish and Game Code is amended to read:

8280.6. (a) The department shall charge a fee for each Dungeness crab vessel permit of two hundred dollars (\$200) for a resident of California and four hundred dollars (\$400) for a nonresident of California.

(b) The department shall charge a nonrefundable fee of two hundred dollars (\$200) for each transfer of a permit authorized pursuant to paragraph (2), (4), or (5) of subdivision (a) of Section 8280.3.

(c) This section shall become inoperative on April 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 11. 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. 12. 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 extend the operation of the salmon and the Dungeness crab fisheries as soon as possible, and to ensure that provisions relating to those fisheries take effect in a timely fashion, it is necessary that this act take effect immediately.

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## CHAPTER 17

An act relating to the Budget Act of 2005, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 10, 2006. Filed with  
Secretary of State April 10, 2006.]

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

SECTION 1. The sum of nine million seventy-one thousand dollars (\$9,071,000) is hereby appropriated for expenditure in the 2005–06 fiscal year in augmentation of Item 0890-001-0001 of Section 2.00 of the

Budget Act of 2005 (Chapter 38 of the Statutes of 2005) for the purpose of covering expenses incurred by the Secretary of State's office related to the special statewide election held November 8, 2005. The amount appropriated is scheduled with Item 0890-001-0001 of the Budget Act of 2005 as follows:

- (a) Personal services, seventy-five thousand dollars (\$75,000).
- (b) Operating expenses and equipment, three hundred eighty-four thousand dollars (\$384,000).
- (c) Special items of expense, eight million six hundred twelve thousand dollars (\$8,612,000).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Secretary of State to carry out the regularly scheduled statewide primary election in June 2006, an appropriation must be provided as soon as possible to reimburse the Secretary of State for the costs expended for the November 2005 special statewide election. It is therefore necessary that this act take effect immediately.

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## CHAPTER 18

An act to add Section 32100.3 to the Health and Safety Code, relating to health care districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 17, 2006. Filed with  
Secretary of State April 17, 2006.]

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

SECTION 1. Section 32100.3 is added to the Health and Safety Code, to read:

32100.3. (a) Notwithstanding Section 32100, the members of the first board of directors of a health care district formed, after the effective date of the act that added this section, in the County of Trinity shall be elected at large.

(b) At their first meeting, the members of the directors shall classify themselves by lot into two classes. One class shall have three members and the other class shall have two members. For the class that has three members, the initial term of office shall be four years. For the class that

has two members, the initial term of office shall be two years. Thereafter, the term of office of all members shall be four years.

(c) Any vacancies in the office of a member elected to the board of directors shall be filled pursuant to Section 1780 of the Government Code.

SEC. 2. (a) Due to the unique circumstances concerning the County of Trinity, it is necessary that a hospital district board members be elected through a direct election in that county, and 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.

(b) The Legislature finds and declares that, in 2004, the County of Trinity faced severe fiscal problems with the continued operation of the Trinity Hospital. The Legislature responded by enacting Chapter 930 of the Statutes of 2004 to allow the Trinity Public Utility District to exercise the powers of a health care district. Since then, local residents and officials have proposed the formation of a new health care district in the County of Trinity that would have a directly elected board of directors. Because the Local Health Care District Law (Division 23 (commencing with Section 32000)) of the Health and Safety Code, does not permit the initial board of directors of a newly formed health care district to be directly elected, it is necessary for the Legislature to enact a special act which allows for the direct election of that board of directors.

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:

The potential financial and instructional collapse of the Trinity Hospital poses a serious threat to the public health and safety of the residents of Trinity County. An election to form a new health care district in the County of Trinity may be held in November 2006. The newly formed health care district would assume the responsibility for the Trinity Hospital to protect Trinity County's residents' public health and safety. In order to allow local voters to directly elect the health care district's initial board of directors at the earliest possible time it is necessary that this act take effect immediately.

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## CHAPTER 19

An act to amend Section 52055.650 of, and to add Section 52055.661 to, the Education Code, relating to high-priority schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 17, 2006. Filed with  
Secretary of State April 17, 2006.]

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

SECTION 1. 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. 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, 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) Notwithstanding subdivisions (e) and (f), 36 months after the receipt of funding to implement a school action plan, all schools that are not subject to state monitoring are eligible for a fourth year of the funding specified in Section 52055.600.

(e) Thirty-six months after receipt of funding pursuant to Section 52053 or 52055.600, a school for which the most recent base Academic Performance Index (API) places the school in decile 6, 7, 8, 9, or 10 shall exit the program.

(f) A school that achieves positive growth in each year of the last three years of program implementation and achieves growth targets in two of those years shall exit the program.

(g) Notwithstanding any other law, the Superintendent, with the approval of the state board, 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.

(1) Require the school 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 school 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 score 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 school 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 results are 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.

(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. 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 as determined 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 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, 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 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.

(h) In addition to the actions listed in subdivision (g), the Superintendent, in consultation with the state board, 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.

(i) Before the Superintendent may take any action against a principal pursuant to paragraph (2) of subdivision (g), 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).



(j) An action taken pursuant to subdivision (g), (h) or (i) shall not increase local costs or require reimbursement by the Commission on State Mandates.

(k) An action taken pursuant to subdivision (g), (h) or (i) shall be accompanied by specific findings by the Superintendent and the state board that the action is directly related to the identified causes for continued failure by a school to meet its performance goals.

(l) (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.

(m) Notwithstanding the growth target timelines set forth in subdivisions (b), (c), (e), and (f), a school that receives funds pursuant to Section 52055.600 during the 2002–03 or 2003–04 fiscal year shall meet the growth target specified in subdivision (b) no later than December 31, 2004, and the growth target specified in subdivisions (c), (e), and (f) no later than December 31, 2005.

(n) Notwithstanding the growth target timelines set forth in subdivisions (b), (c), (e), and (f), 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, 2008, and the growth target specified in subdivisions (c), (e), and (f) no later than December 31, 2009.

SEC. 2. Section 52055.661 is added to the Education Code, to read:

52055.661. (a) The amount of one hundred fifty dollars (\$150) per pupil shall be annually allocated to a school district that is required to enter into a contract with a school assistance and intervention team pursuant to subdivision (a) of Section 52055.51 or paragraph (1) of subdivision (g) of Section 52055.650, for purposes of implementing any recommendations made by the school assistance and intervention team in the report prepared by the team pursuant to subdivision (e) of Section 52055.51 or subparagraph (C) of paragraph (1) of subdivision (g) of

Section 52055.650. A school district that receives funds pursuant to this subdivision shall provide an in-kind match of services, or a match of school district funds in an amount equal to the amount received by the local education agency pursuant to this subdivision.

(b) The amount of one hundred fifty dollars (\$150) per pupil shall be annually allocated to a school district in accordance with paragraph (3) of subdivision (b) of Section 52055.5 or paragraph (2) of subdivision (g) of Section 52055.650, for the purposes of improving the academic performance of that school. School districts that receive funds pursuant to this paragraph shall provide an in-kind match of services, or a match of school district funds in an amount equal to the amount received by the school district pursuant to this subdivision.

(c) Funding for the support of each school assistance and intervention team that enters into a contract with a school district pursuant to paragraph (1) of subdivision (a) of Section 52055.51 or subdivision (g) of Section 52055.650 shall be allocated on a one-time basis as follows:

(1) Seventy-five thousand dollars (\$75,000) for each school assistance and intervention team assigned to an elementary or middle school.

(2) One hundred thousand dollars (\$100,000) for each school assistance and intervention team assigned to a high school.

(3) As a condition of receipt of funds, a school district shall provide an in-kind match of services, or a match of school district funds, in an amount equal to one dollar (\$1) for every two dollars (\$2) provided pursuant to subdivision (a).

SEC. 3. The sum of four million one hundred twenty-five thousand dollars (\$4,125,000) in available Title I of the No Child Left Behind Act of 2001 (Public Law 107-110) funds is hereby appropriated from the Federal Trust Fund to the State Department of Education, for expenditure during the 2005–06 fiscal year, to provide funding to local educational agencies for purposes of subdivision (e) of Section 52055.57 of the Education Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that pupils in low-achieving public schools have access to services designed to improve pupil achievement at the earliest possible time, it is necessary that this act take effect immediately.

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## CHAPTER 20

An act to amend Sections 120895, 120975, 120980, 121015, 121025, 121035, 121075, 121085, 121105, 121110, and 121125 of, and to add Section 121022 to, the Health and Safety Code, relating to health care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 17, 2006. Filed with  
Secretary of State April 17, 2006.]

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

SECTION 1. It is the intent of the Legislature that:

(a) State and local health departments, medical testing agencies, and health care providers continue to work in a collaborative manner to ensure that human immunodeficiency virus (HIV) testing and counseling services are offered in a culturally and linguistically appropriate manner.

(b) Information on HIV testing be reported and maintained in accordance with existing state and federal privacy statutes.

(c) Information on cases of HIV infection not be used for any purpose other than routine public health practices that include, but are not limited to, HIV-related surveillance and epidemiology.

SEC. 2. Section 120895 of the Health and Safety Code is amended to read:

120895. (a) Each county, designated by the director, shall make the test available within its jurisdiction without charge, in an accessible manner and the tests shall be made available by the county on an anonymous basis through use of a coded system with no linking of individual identity with the test request or results. The number and location of sites in each county designated by the director shall be approved by the director. The test shall be made available by the county either directly or by contract with a physician and surgeon or with any clinic or health facility licensed by the department. Neither the county nor anyone else administering the test described in this section and Sections 120885 and 120890, shall ask for the name, social security number, or any other information that could reveal the identity of the individual who takes the test. Each alternative test site shall make available confidential information and referral services, within the funds available, to individuals who seek testing. A county may subcontract with individuals or entities to provide information and referral services.

All alternative test sites shall provide a referral list of physicians and surgeons or clinics knowledgeable about AIDS, to all persons who have any known risk factor for AIDS, especially those who have a reactive

antibody test, for further information and explanation of the test results and for medical evaluation.

At a minimum, individuals seeking testing shall be informed about the validity and accuracy of the antibody test before the test is performed. All testing site personnel shall be required to attest to having provided the above information. Furthermore, all individuals who are tested at the sites established by this section and Sections 120885 and 120890 shall be given the results of this test in person. All sites providing antibody testing pursuant to this section and Sections 120885 and 120890 shall have a protocol for referral for 24-hour inpatient and mental health services. All individuals awaiting test results and all persons to whom results are reported shall be informed of available crisis services and shall be directly referred, if necessary.

Each county, designated by the director, shall be required to submit a plan to the department within 45 days after the effective date of this section that details where testing and pretest and posttest information and referral will be provided and the qualifications of the staff who will be performing the services required by this section and Sections 120885 and 120890. The department shall make training available, especially to smaller counties.

(b) The department shall establish a reimbursement process for counties within 30 days after the effective date of this section for the following services:

- (1) Informing test applicants on the test's reliability and validity.
- (2) Administration of tests, analysis of test samples, and costs associated with the laboratory work required by this antibody test.
- (3) Short-term information and referral sessions, of no more than one visit per person tested for the purpose of transmitting the person's test results and, as requested, for referral to available followup services.

The department shall establish the amounts to be reimbursed for each of these services, but the amounts shall be established at a level to ensure that the purposes of this section and Sections 120885 and 120890 are carried out. Reimbursements shall be made for each service provided.

(c) The department may replace the test for the antibody to the probable causative agent for AIDS with another type of HIV test, as the department deems appropriate.

(d) The director may grant a waiver to a county from the requirements of this section and Sections 120885 and 120890 if the county petitions the director for the waiver and the director determines that the waiver is consistent with the purposes of this section and Sections 120885 and 120890.

(e) A participating county or the department may accept grants, donations, and in-kind services for purposes of carrying out this section and Sections 120885 and 120890.

SEC. 3. Section 120975 of the Health and Safety Code is amended to read:

120975. To protect the privacy of individuals who are the subject of blood testing for antibodies to human immunodeficiency virus (HIV), the following shall apply:

Except as provided in Section 1603.1, 1603.3, or 121022, no person shall be compelled in any state, county, city, or other local civil, criminal, administrative, legislative, or other proceedings to identify or provide identifying characteristics that would identify any individual who is the subject of a blood test to detect antibodies to HIV.

SEC. 4. Section 120980 of the Health and Safety Code is amended to read:

120980. (a) Any person who negligently discloses results of an HIV test, as defined in subdivision (c) of Section 120775, to any third party, in a manner that identifies or provides identifying characteristics of the person to whom the test results apply, except pursuant to a written authorization, as described in subdivision (g), or except as provided in Section 1603.1, 1603.3, or 121022 or any other statute that expressly provides an exemption to this section, shall be assessed a civil penalty in an amount not to exceed two thousand five hundred dollars (\$2,500) plus court costs, as determined by the court, which penalty and costs shall be paid to the subject of the test.

(b) Any person who willfully or maliciously discloses the results of an HIV test, as defined in subdivision (c) of Section 120775, to any third party, in a manner that identifies or provides identifying characteristics of the person to whom the test results apply, except pursuant to a written authorization, as described in subdivision (g), or except as provided in Section 1603.1, 1603.3, or 121022 or any other statute that expressly provides an exemption to this section, shall be assessed a civil penalty in an amount not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000) plus court costs, as determined by the court, which penalty and costs shall be paid to the subject of the test.

(c) Any person who willfully, maliciously, or negligently discloses the results of an HIV test, as defined in subdivision (c) of Section 120775, to a third party, in a manner that identifies or provides identifying characteristics of the person to whom the test results apply, except pursuant to a written authorization, as described in subdivision (g), or except as provided in Section 1603.1, 1603.3, or 121022 or any other statute that expressly provides an exemption to this section, that results in economic, bodily, or psychological harm to the subject of the test, is

guilty of a misdemeanor, punishable by imprisonment in the county jail for a period not to exceed one year, or a fine of not to exceed twenty-five thousand dollars (\$25,000), or both.

(d) Any person who commits any act described in subdivision (a) or (b) shall be liable to the subject for all actual damages, including damages for economic, bodily, or psychological harm that is a proximate result of the act.

(e) Each disclosure made in violation of this chapter is a separate and actionable offense.

(f) Except as provided in Article 6.9 (commencing with Section 799) of Chapter 1 of Part 2 of Division 1 of the Insurance Code, the results of an HIV test, as defined in subdivision (c) of Section 120775, that identifies or provides identifying characteristics of the person to whom the test results apply, shall not be used in any instance for the determination of insurability or suitability for employment.

(g) "Written authorization," as used in this section, applies only to the disclosure of test results by a person responsible for the care and treatment of the person subject to the test. Written authorization is required for each separate disclosure of the test results, and shall include to whom the disclosure would be made.

(h) Nothing in this section limits or expands the right of an injured subject to recover damages under any other applicable law. Nothing in this section shall impose civil liability or criminal sanction for disclosure of the results of tests performed on cadavers to public health authorities or tissue banks.

(i) Nothing in this section imposes liability or criminal sanction for disclosure of an HIV test, as defined in subdivision (c) of Section 120775, in accordance with any reporting requirement for a case of HIV infection, including AIDS by the department or the Centers for Disease Control and Prevention under the United States Public Health Service.

(j) The department may require blood banks and plasma centers to submit monthly reports summarizing statistical data concerning the results of tests to detect the presence of viral hepatitis and HIV. This statistical summary shall not include the identity of individual donors or identifying characteristics that would identify individual donors.

(k) "Disclosed," as used in this section, means to disclose, release, transfer, disseminate, or otherwise communicate all or any part of any record orally, in writing, or by electronic means to any person or entity.

(l) When the results of an HIV test, as defined in subdivision (c) of Section 120775, are included in the medical record of the patient who is the subject of the test, the inclusion is not a disclosure for purposes of this section.

SEC. 5. Section 121015 of the Health and Safety Code is amended to read:

121015. (a) Notwithstanding Section 120980 or any other provision of law, no physician and surgeon who has the results of a confirmed positive test to detect HIV infection of a patient under his or her care shall be held criminally or civilly liable for disclosing to a person reasonably believed to be the spouse, or to a person reasonably believed to be a sexual partner or a person with whom the patient has shared the use of hypodermic needles, or to the local health officer, that the patient has tested positive on a test to detect HIV infection, except that no physician and surgeon shall disclose any identifying information about the individual believed to be infected, except as required in Section 121022.

(b) No physician and surgeon shall disclose the information described in subdivision (a) unless he or she has first discussed the test results with the patient and has offered the patient appropriate educational and psychological counseling, that shall include information on the risks of transmitting the human immunodeficiency virus to other people and methods of avoiding those risks, and has attempted to obtain the patient's voluntary consent for notification of his or her contacts. The physician and surgeon shall notify the patient of his or her intent to notify the patient's contacts prior to any notification. When the information is disclosed to a person reasonably believed to be a spouse, or to a person reasonably believed to be a sexual partner, or a person with whom the patient has shared the use of hypodermic needles, the physician and surgeon shall refer that person for appropriate care, counseling, and followup. This section shall not apply to disclosures made other than for the purpose of diagnosis, care, and treatment of persons notified pursuant to this section, or for the purpose of interrupting the chain of transmission.

(c) This section is permissive on the part of the attending physician, and all requirements and other authorization for the disclosure of test results to detect HIV infection are limited to the provisions contained in this chapter, Chapter 10 (commencing with Section 121075) and Sections 1603.1 and 1603.3. No physician has a duty to notify any person of the fact that a patient is reasonably believed to be infected with HIV, except as required by Section 121022.

(d) The local health officer may alert any persons reasonably believed to be a spouse, sexual partner, or partner of shared needles of an individual who has tested positive on an HIV test about their exposure, without disclosing any identifying information about the individual believed to be infected or the physician making the report, and shall refer any person to whom a disclosure is made pursuant to this subdivision for appropriate care and followup. Upon completion of the local health

officer's efforts to contact any person pursuant to this subdivision, all records regarding that person maintained by the local health officer pursuant to this subdivision, including, but not limited to, any individual identifying information, shall be expunged by the local health officer.

(e) The local health officer shall keep confidential the identity and the seropositivity status of the individual tested and the identities of the persons contacted, as long as records of contacts are maintained.

(f) Except as provided in Section 1603.1, 1603.3, or 121022, no person shall be compelled in any state, county, city, or local civil, criminal, administrative, legislative, or other proceedings to identify or provide identifying characteristics that would identify any individual reported or person contacted pursuant to this section.

SEC. 6. Section 121022 is added to the Health and Safety Code, to read:

121022. (a) To ensure knowledge of current trends in the HIV epidemic and to assure that California remains competitive for federal HIV and AIDS funding, health care providers and laboratories shall report cases of HIV infection to the local health officer using patient names. Local health officers shall report unduplicated HIV cases by name to the department.

(b) The department and local health officers shall ensure continued reasonable access to anonymous HIV testing through alternative testing sites, as established by Section 120890, and in consultation with HIV planning groups and affected stakeholders, including representatives of persons living with HIV and health officers.

(c) The department shall promulgate emergency regulations to conform the relevant provisions of Article 3.5 (commencing with Section 2641.5) of Chapter 4 of Title 17 of the California Code of Regulations, consistent with this chapter, within one year of the effective date of this section.

(d) Pursuant to Section 121025, reported cases of HIV infection shall not be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(e) State and local health department employees and contractors shall be required to sign confidentiality agreements developed by the department that include information related to the penalties for a breach of confidentiality, and the procedures for reporting a breach of confidentiality, prior to accessing confidential HIV-related public health records. Those agreements shall be reviewed annually by either the department or the appropriate local health department.

(f) No person shall disclose identifying information reported pursuant to subdivision (a) to the federal government, including, but not limited to, any agency, employee, agent, contractor, or anyone else acting on



behalf of the federal government, except as permitted under subdivision (b) of Section 121025.

(g) (1) Any potential or actual breach of confidentiality of HIV-related public health records shall be investigated by the local health officer, in coordination with the department, when appropriate. The local health officer shall immediately report any evidence of an actual breach of confidentiality of HIV-related public health records at a city or county level to the department and the appropriate law enforcement agency.

(2) The department shall investigate any potential or actual breach of confidentiality of HIV-related public health records at the state level, and shall report any evidence of such a breach of confidentiality to an appropriate law enforcement agency.

(h) Any willful, negligent, or malicious disclosure of cases of HIV infection reported pursuant to subdivision (a) shall be subject to the penalties prescribed in Section 121025.

(i) Nothing in this section shall be construed to limit other remedies and protections available under state or federal law.

SEC. 7. Section 121025 of the Health and Safety Code is amended to read:

121025. (a) Public health records relating to human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS), containing personally identifying information, that were developed or acquired by state or local public health agencies, or an agent of such an agency, shall be confidential and shall not be disclosed, except as otherwise provided by law for public health purposes or pursuant to a written authorization by the person who is the subject of the record or by his or her guardian or conservator.

(b) In accordance with subdivision (f) of Section 121022, state or local public health agencies, or an agent of such an agency, may disclose personally identifying information in public health records, as described in subdivision (a), to other local, state, or federal public health agencies or to corroborating medical researchers, when the confidential information is necessary to carry out the duties of the agency or researcher in the investigation, control, or surveillance of disease, as determined by the state or local public health agency.

(c) Any disclosure authorized by subdivision (a) or (b) shall include only the information necessary for the purpose of that disclosure and shall be made only upon agreement that the information will be kept confidential and will not be further disclosed without written authorization, as described in subdivision (a).

(d) No confidential public health record, as defined in subdivision (c) of Section 121035, shall be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(e) (1) Any person who negligently discloses the content of any confidential public health record, as defined in subdivision (c) of Section 121035, to any third party, except pursuant to a written authorization, as described in subdivision (a), or as otherwise authorized by law, shall be subject to a civil penalty in an amount not to exceed two thousand five hundred dollars (\$2,500), plus court costs, as determined by the court, which penalty and costs shall be paid to the person whose record was disclosed.

(2) Any person who willfully or maliciously discloses the content of any confidential public health record, as defined in subdivision (c) of Section 121035, to any third party, except pursuant to a written authorization, or as otherwise authorized by law, shall be subject to a civil penalty in an amount not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), plus court costs, as determined by the court, which penalty and costs shall be paid to the person whose confidential public health record was disclosed.

(3) Any person who willfully, maliciously, or negligently discloses the content of any confidential public health record, as defined in subdivision (c) of Section 121035, to any third party, except pursuant to a written authorization, or as otherwise authorized by law, that results in economic, bodily, or psychological harm to the person whose confidential public health record was disclosed, is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period not to exceed one year, or a fine of not to exceed twenty-five thousand dollars (\$25,000), or both, plus court costs, as determined by the court, which penalty and costs shall be paid to the person whose confidential public health record was disclosed.

(4) Any person who commits any act described in paragraph (1), (2), or (3), shall be liable to the person whose confidential public health record was disclosed for all actual damages for economic, bodily, or psychological harm that is a proximate result of the act.

(5) Each violation of this section is a separate and actionable offense.

(6) Nothing in this section limits or expands the right of an injured person whose confidential public health record was disclosed to recover damages under any other applicable law.

(f) In the event that a confidential public health record, as defined in subdivision (c) of Section 121035, is disclosed, the information shall not be used to determine employability, or insurability of any person.

SEC. 8. Section 121035 of the Health and Safety Code is amended to read:

121035. For purposes of this chapter:

(a) "Disclosed" or "disclosure" or "discloses" has the same meaning as set forth in subdivision (b) of Section 121125.

(b) "State or local public health agencies" are the department, and any local entity that a health officer, as defined in Section 120100, serves.

(c) "Confidential public health record or records" means any paper or electronic record maintained by the department or a local health department or agency, or its agent, that includes data or information in a manner that identifies personal information, including, but not limited to, name, social security number, address, employer, or other information that may directly or indirectly lead to the identification of the individual who is the subject of the record.

SEC. 9. Section 121075 of the Health and Safety Code is amended to read:

121075. Research records, in a personally identifying form, developed or acquired by any person in the course of conducting research or a research study relating to HIV or AIDS shall be confidential, and these confidential research records shall not be disclosed by any person in possession of the research record, nor shall these confidential research records be discoverable, nor shall any person be compelled to produce any confidential research record, except as provided by this chapter.

SEC. 10. Section 121085 of the Health and Safety Code is amended to read:

121085. (a) Confidential research records shall be protected in the course of conducting financial audits or program evaluations, and audit personnel shall not directly or indirectly identify any individual research subject in any report of a financial audit or program evaluation. To the extent it is necessary for audit personnel to know the identity of individual research subjects, authorized disclosure of confidential research records shall be made on a case-by-case basis, and every prudent effort shall be exercised to safeguard the confidentiality of these research records in accordance with this chapter. Information disclosed for audit or evaluation purposes should be used only for audit and evaluation purposes and may not be redisclosed or used in any other way.

(b) Nothing in this section imposes liability or criminal sanction for disclosure of confidential research records in accordance with any reporting requirement for a case of HIV, including AIDS, by the department or the Centers for Disease Control and Prevention under the United States Public Health Services.

SEC. 11. Section 121105 of the Health and Safety Code is amended to read:

121105. Prior to participation of an individual in a research study relating to HIV or AIDS, both of the following requirements shall be met:

(a) The informed consent of each research subject shall be obtained in the method and manner required by Section 46.116, (a) and (b), of

Part 46 of Title 45 of the Code of Federal Regulations and be documented in accordance with Section 46.117 of that part.

(b) Each research subject shall be provided with an explanation in writing, in language understandable to the research subject, of the rights and responsibilities of researchers and research subjects under this chapter.

SEC. 12. Section 121110 of the Health and Safety Code is amended to read:

121110. (a) Any person who negligently discloses the content of any confidential research record, as defined in subdivision (c) of Section 121125, to any third party, except pursuant to this chapter, shall be assessed a civil penalty in an amount not to exceed two thousand five hundred dollars (\$2,500), plus court costs, as determined by the court, which penalty and costs shall be paid to the subject of the test.

(b) Any person who willfully or maliciously discloses the content of any confidential research record, as defined in subdivision (c) of Section 121125, to any third party, except pursuant to this chapter, shall be assessed a civil penalty in an amount not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), plus court costs, as determined by the court, which penalty and costs shall be paid to the subject of the test.

(c) Any person who willfully, maliciously, or negligently discloses the content of any confidential research record, as defined in subdivision (c) of Section 121125, to a third party, except pursuant to this chapter, that results in economic, bodily, or psychological harm to the research subject, is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period not to exceed one year, or a fine of not to exceed twenty-five thousand dollars (\$25,000), or both.

(d) Any person who commits any act described in subdivision (a) or (b) shall be liable to the subject for all actual damages for economic, bodily, or psychological harm that is a proximate result of the act.

(e) Any person who negligently or willfully violates Section 121105 is guilty of an infraction punishable by a fine of twenty-five dollars (\$25).

(f) Each violation of this chapter is a separate and actionable offense.

(g) Nothing in this section limits or expands the right of an injured research subject to recover damages under any other applicable law.

SEC. 13. Section 121125 of the Health and Safety Code is amended to read:

121125. For purposes of this chapter:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "Disclosed" means to disclose, release, transfer, disseminate, or otherwise communicate all or any part of any confidential research record

orally, in writing, or by electronic means to any person or entity, or to provide the means for obtaining the records.

(c) "Confidential research record or records" means any data or information in a personally identifying form, including name, social security number, address, employer, or other information that could, directly or indirectly, in part or in sum, lead to the identification of the individual research subject, developed or acquired by any person in the course of conducting research or a research study relating to HIV or AIDS.

(d) "HIV" means human immunodeficiency virus.

SEC. 14. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary programmatic, regulatory, and statutory changes to implement an HIV reporting system that produces data that will be accepted by the federal Centers for Disease Control and Prevention, and to ensure that California remains competitive for allocations under the federal Ryan White Comprehensive AIDS Resources Emergency Act (CARE) of 1990 (Public Law 101-381), as amended October 20, 2000, (Public Law 106-345) funding, it is necessary that this act take effect immediately.

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## CHAPTER 21

An act to add Section 4291.3 to the Public Resources Code, relating to forest practices.

[Approved by Governor April 24, 2006. Filed with  
Secretary of State April 24, 2006.]

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

SECTION 1. Section 4291.3 is added to the Public Resources Code, to read:

4291.3. Subject to any other applicable provision of law, a state or local fire official, at his or her discretion, may authorize an owner of property, or his or her agent, to construct a firebreak, or implement appropriate vegetation management techniques, to ensure that defensible space is adequate for the protection of a hospital, adult residential care facility, school, aboveground storage tank, hazardous materials facility, or similar facility on the property. The firebreak may be for a radius of up to 300 feet from the facility, or to the property line, whichever distance is shorter.

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## CHAPTER 22

An act to amend, repeal, and add Section 25110 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor May 8, 2006. Filed with Secretary  
of State May 8, 2006.]

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

SECTION 1. Section 25110 of the Revenue and Taxation Code, as amended by Section 58 of Chapter 182 of the Statutes of 2004, is amended to read:

25110. (a) Notwithstanding Section 25101, a qualified taxpayer, as defined in paragraph (2) of subdivision (b), that is subject to the tax imposed under this part, may elect to determine its income derived from or attributable to sources within this state pursuant to a water's-edge election in accordance with the provisions of this part, as modified by this article. A taxpayer, that made a water's-edge election prior to January 1, 2006, shall take into account the income and apportionment factors of the following affiliated entities only:

(1) Domestic international sales corporations, as described in Sections 991 to 994, inclusive, of the Internal Revenue Code and foreign sales corporations as described in Sections 921 to 927, inclusive, of the Internal Revenue Code.

(2) Any corporation (other than a bank), regardless of the place where it is incorporated if the average of its property, payroll, and sales factors within the United States is 20 percent or more.

(3) Corporations that are incorporated in the United States, excluding corporations making an election pursuant to Sections 931 to 936, inclusive, of the Internal Revenue Code, of which more than 50 percent of their voting stock is owned or controlled directly or indirectly by the same interests.

(4) A corporation that is not described in paragraphs (1) to (3), inclusive, or paragraph (5), but only to the extent of its income derived from or attributable to sources within the United States and its factors assignable to a location within the United States in accordance with paragraph (3) of subdivision (b). Income of that corporation derived from or attributable to sources within the United States as determined by federal income tax laws shall be limited to and determined from the books of account maintained by the corporation with respect to its activities conducted within the United States.

(5) Export trade corporations, as described in Sections 970 to 972, inclusive, of the Internal Revenue Code.

(6) Any affiliated corporation which is a “controlled foreign corporation,” as defined in Section 957 of the Internal Revenue Code, if all or part of the income of that affiliate is defined in Section 952 of Subpart F of the Internal Revenue Code (“Subpart F income”). The income and apportionment factors of any affiliate to be included under this paragraph shall be determined by multiplying the income and apportionment factors of that affiliate without application of this paragraph by a fraction (not to exceed one), the numerator of which is the “Subpart F income” of that corporation for that taxable year and the denominator of which is the “earnings and profits” of that corporation for that taxable year, as defined in Section 964 of the Internal Revenue Code.

(7) (A) The income and factors of the above-enumerated corporations shall be taken into account only if the income and factors would have been taken into account under Section 25101 if this section had not been enacted.

(B) The income and factors of a corporation that is not described in paragraphs (1) to (3), inclusive, and paragraph (5) and that is an electing taxpayer under this subdivision shall be taken into account in determining its income only to the extent set forth in paragraph (4).

(b) For purposes of this article and Section 24411 all of the following definitions apply:

(1) An “affiliated corporation” means a corporation that is a member of a commonly controlled group as defined in Section 25105.

(2) A “qualified taxpayer” means a corporation which does both of the following:

(A) Files with the state tax return on which the water’s-edge election is made a consent to the taking of depositions at the time and place most reasonably convenient to all parties from key domestic corporate individuals and to the acceptance of subpoenas duces tecum requiring reasonable production of documents to the Franchise Tax Board as provided in Section 19504 or by the State Board of Equalization as provided in Title 18, California Code of Regulations, Section 5005, or by the courts of this state as provided in Chapter 2 (commencing with Section 1985) of Title 3 of Part 4 of, and Chapter 9 (commencing with Section 2025.010) of Title 4 of Part 4 of, the Code of Civil Procedure. The consent relates to issues of jurisdiction and service and does not waive any defenses a taxpayer may otherwise have. The consent shall remain in effect so long as the water’s-edge election is in effect and shall be limited to providing that information necessary to review or to adjust income or deductions in a manner authorized under Sections 482, 861, Subpart F of Part III of Subchapter N, or similar provisions of the Internal Revenue Code, together with the regulations adopted pursuant to those provisions, and for the conduct of an investigation with respect to any unitary business in which the taxpayer may be involved.

(B) Agrees that for purposes of this article, dividends received by any corporation whose income and apportionment factors are taken into account pursuant to subdivision (a) from either of the following are functionally related dividends and shall be presumed to be business income:

(i) A corporation of which more than 50 percent of the voting stock is owned, directly or indirectly, by members of the unitary group and which is engaged in the same general line of business.

(ii) Any corporation that is either a significant source of supply for the unitary business or a significant purchaser of the output of the unitary business, or that sells a significant part of its output or obtains a significant part of its raw materials or input from the unitary business. “Significant,” as used in this subparagraph, means an amount of 15 percent or more of either input or output.

All other dividends shall be classified as business or nonbusiness income without regard to this subparagraph.

(3) The definitions and locations of property, payroll, and sales shall be determined under the laws and regulations that set forth the apportionment formulas used by the individual states to assign net income subject to taxes on or measured by net income in that state. If a state does not impose a tax on or measured by net income or does not have laws or regulations with respect to the assignment of property, payroll,



and sales, the laws and regulations provided in Article 2 (commencing with Section 25120) shall apply.

Sales shall be considered to be made to a state only if the corporation making the sale may otherwise be subject to a tax on or measured by net income under the Constitution or laws of the United States, and shall not include sales made to a corporation whose income and apportionment factors are taken into account pursuant to subdivision (a) in determining the amount of income of the taxpayer derived from or attributable to sources within this state.

(4) "The United States" means the 50 states of the United States and the District of Columbia.

(c) All references in this part to income determined pursuant to Section 25101 shall also mean income determined pursuant to this section.

(d) (1) This section shall apply only to a taxable year of a taxpayer that determines its income derived from or attributable to sources within this state pursuant to a water's-edge election made prior to January 1, 2006, where that election may not be terminated for that taxable year without the consent of the Franchise Tax Board pursuant to paragraph (9) of subdivision (c) of Section 25113.

(2) This section shall be repealed on January 1, 2014.

SEC. 2. Section 25110 is added to the Revenue and Taxation Code, to read:

25110. (a) Notwithstanding Section 25101, a qualified taxpayer, as defined in paragraph (2) of subdivision (b), that is subject to the tax imposed under this part, may elect to determine its income derived from or attributable to sources within this state pursuant to a water's-edge election in accordance with the provisions of this part, as modified by this article. A taxpayer, that makes a water's-edge election on or after January 1, 2006, shall take into account that portion of its own income and apportionment factors and the income and apportionment factors of its affiliated entities to the extent provided below:

(1) The entire income and apportionment factors of any of the following corporations:

(A) Domestic international sales corporations, as described in Sections 991 to 994, inclusive, of the Internal Revenue Code and foreign sales corporations as described in Sections 921 to 927, inclusive, of the Internal Revenue Code.

(B) Any corporation (other than a bank), regardless of the place where it is incorporated if the average of its property, payroll, and sales factors within the United States is 20 percent or more.

(C) Corporations that are incorporated in the United States, excluding corporations making an election pursuant to Sections 931 to 936, inclusive, of the Internal Revenue Code.

(D) Export trade corporations, as described in Sections 970 to 972, inclusive, of the Internal Revenue Code.

(2) (A) With respect to a corporation that is not described in subparagraphs (A), (B), (C), and (D) of paragraph (1), as provided in either one or both of the following clauses:

(i) The income and apportionment factors of that corporation to the extent of its income derived from or attributable to sources within the United States and its factors assignable to a location within the United States in accordance with paragraph (3) of subdivision (b). Income of that corporation derived from or attributable to sources within the United States as determined by federal income tax laws shall be limited to, and determined from, the books of account maintained by the corporation with respect to its activities conducted within the United States.

(ii) The income and apportionment factors of that corporation that is a “controlled foreign corporation,” as defined in Section 957 of the Internal Revenue Code, to the extent determined by multiplying the income and apportionment factors of that corporation without application of this subparagraph by a fraction not to exceed one, the numerator of which is the “Subpart F income” of that corporation for that taxable year and the denominator of which is the “earnings and profits” of that corporation for that taxable year.

(B) For purposes of this paragraph, both of the following apply:

(i) “Subpart F income” means “Subpart F income” as defined in Section 952 of the Internal Revenue Code.

(ii) “Earnings and profits” means “earnings and profits” as described in Section 964 of the Internal Revenue Code.

(3) The income and apportionment factors of the corporations described in this subdivision shall be taken into account only to the extent that they would have been taken into account had no election under this section been made.

(4) The Franchise Tax Board shall prescribe regulations to coordinate implementation of subparagraph (A) of paragraph (2) to prevent multiple inclusion or exclusion of income and factors in situations where the same item of income is described in both clauses.

(b) For purposes of this article and Section 24411, all of the following definitions apply:

(1) An “affiliated corporation” means a corporation that is a member of a commonly controlled group as defined in Section 25105.

(2) A “qualified taxpayer” means a corporation that does both of the following:

(A) Files with the state tax return, on which the water’s-edge election is made, a consent to the taking of depositions, at the time and place most reasonably convenient to all parties, from key domestic corporate

individuals and to the acceptance of subpoenas duces tecum requiring reasonable production of documents to the Franchise Tax Board, as provided in Section 19504, by the State Board of Equalization, as provided in Section 5005 of Title 18 of the California Code of Regulations, or by the courts of this state, as provided in Chapter 2 (commencing with Section 1985) of Title 3 of Part 4 of, and Chapter 9 (commencing with Section 2025.010) of Title 4 of Part 4 of, the Code of Civil Procedure. The consent relates to issues of jurisdiction and service and does not waive any defenses that a taxpayer may otherwise have. The consent shall remain in effect as long as the water's-edge election is in effect, and shall be limited to providing that information necessary to review or adjust income or deductions in a manner authorized by Section 482, 861, Subpart F of Part III of Subchapter N, or similar provisions, of the Internal Revenue Code, together with the regulations adopted pursuant to those provisions, and for the conduct of an investigation with respect to any unitary business in which the taxpayer may be involved.

(B) Agrees that, for purposes of this article, dividends received by any corporation whose income and apportionment factors are taken into account pursuant to subdivision (a) from either of the following are functionally related dividends and shall be presumed to be business income:

(i) A corporation of which more than 50 percent of the voting stock is owned, directly or indirectly, by members of the unitary group and which is engaged in the same general line of business.

(ii) Any corporation that is either a significant source of supply for the unitary business or a significant purchaser of the output of the unitary business, or that sells a significant part of its output or obtains a significant part of its raw materials or input from the unitary business. "Significant," as used in this subparagraph, means an amount of 15 percent or more of either input or output.

All other dividends shall be classified as business or nonbusiness income without regard to this subparagraph.

(3) The definitions and locations of property, payroll, and sales shall be determined under the laws and regulations that set forth the apportionment formulas used by the individual states to assign net income subject to taxes on, or measured by, net income in that state. If a state does not impose a tax on, or measured by, net income or does not have laws or regulations with respect to the assignment of property, payroll, and sales, the laws and regulations provided in Article 2 (commencing with Section 25120) shall apply.

Sales shall be considered to be made to a state only if the corporation making the sale may otherwise be subject to a tax on, or measured by,

net income under the Constitution or laws of the United States, and shall not include sales made to a corporation whose income and apportionment factors are taken into account pursuant to subdivision (a) in determining the amount of income of the taxpayer derived from or attributable to sources within this state.

(4) "The United States" means the 50 states of the United States and the District of Columbia.

(c) All references in this part to income determined pursuant to Section 25101 shall also mean income determined pursuant to this section.

SEC. 3. (a) Section 25110 of the Revenue and Taxation Code, as added by Section 2 of this act, shall apply to taxable years beginning on or after January 1, 2006, of a taxpayer that determines its income derived from, or attributable to, sources within this state pursuant to a water's-edge election, if either of the following conditions is satisfied.

(1) The water's-edge election is made on or after January 1, 2006.

(2) The water's-edge election was made prior to January 1, 2006, and that election may be terminated for that taxable year without the consent of the Franchise Tax Board pursuant to paragraph (9) of subdivision (c) of Section 25113 of the Revenue and Taxation Code.

(b) Section 25110 of the Revenue and Taxation Code, as added by Section 2 of this act, shall not apply to taxable years beginning on or after January 1, 2006, of a taxpayer that determines its income derived from, or attributable to, sources within this state pursuant to a water's-edge election made prior to January 1, 2006, where that election may not be terminated for that taxable year without the consent of the Franchise Tax Board pursuant to paragraph (9) of subdivision (c) of Section 25113 of the Revenue and Taxation Code.

(c) In the case of any taxpayer that remains subject to the provisions of Section 1 of this act after the application of subdivisions (a) and (b) of this section, it is the intent of the Legislature that both of the following apply:

(1) With respect to any original or amended return with a water's-edge combined report filed on or before January 1, 2006, a taxpayer that excluded the income of its controlled foreign corporation because the controlled foreign corporation established nexus in this state or because it had United States-source income shall be deemed to be in compliance with the provisions of Section 25110 of the Revenue and Taxation Code, as it read prior to the enactment of this act, provided that the taxpayer otherwise complied with the provisions of that section.

(2) With respect to any original or amended return with a water's-edge combined report filed after January 1, 2006, no inference shall be drawn from the provisions of Section 25110 of the Revenue and Taxation Code, as added by this act, as to whether a taxpayer properly excluded the

income of its controlled foreign corporation because the controlled foreign corporation established nexus in this state or because it had reported the United States-source income under Section 25110 of the Revenue and Taxation Code, as it read prior to the enactment of this act.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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## CHAPTER 23

An act to repeal and add Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code, relating to retail food.

[Approved by Governor May 15, 2006. Filed with  
Secretary of State May 15, 2006.]

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

SECTION 1. Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code is repealed.

SEC. 2. Part 7 (commencing with Section 113700) is added to Division 104 of the Health and Safety Code, to read:

### PART 7. CALIFORNIA RETAIL FOOD CODE

#### CHAPTER 1. GENERAL PROVISIONS

113700. These provisions shall be known, and may be cited, as the California Retail Food Code, hereafter referred to as “this part.”

113703. The purpose of this part is to safeguard public health and provide to consumers food that is safe, unadulterated, and honestly presented through adoption of science-based standards.

113705. The Legislature finds and declares that the public health interest requires that there be uniform statewide health and sanitation standards for retail food facilities to assure the people of this state that the food will be pure, safe, and unadulterated. Except as provided in Section 113709, it is the intent of the Legislature to occupy the whole field of health and sanitation standards for retail food facilities, and the standards set forth in this part and regulations adopted pursuant to this part shall be exclusive of all local health and sanitation standards relating to retail food facilities.

113707. The department shall adopt regulations to implement and administer this part.

113709. Nothing in this part shall prohibit a local governing body from adopting an evaluation or grading system for food facilities, from prohibiting any type of food facility, from adopting an employee health certification program, or from regulating the provision of patron toilet and handwashing facilities.

113711. In all laws and regulations, references to Chapter 4 (commencing with Section 113700) or the California Uniform Retail Food Facilities Law, shall mean this part or the California Retail Food Code.

113713. (a) Primary responsibility for enforcement of this part shall be with the local enforcement agency. Nothing in this part shall prevent the department from taking any necessary program or enforcement actions for the protection of the public health and safety.

(b) The department shall provide technical assistance, training, standardization, program evaluation, and other services to local health agencies as necessary to ensure the uniform interpretation and application of this part, when an appropriation is made to the department for this purpose.

(c) Whenever the enforcement of the requirements of this part by any local enforcement agency is satisfactory to the department, the enforcement of this part shall not be duplicated by the department. The department shall investigate to determine satisfactory enforcement of this part by evaluating the program of each local enforcement agency at least once every three years and shall prepare a report of the evaluation and list any program improvements needed only when an appropriation is made to the department for these purposes.

113715. Any construction, alteration, remodeling, or operation of a food facility shall be approved by the enforcement agency and shall be in accordance with all applicable local, state, and federal statutes, regulations, and ordinances, including but not limited to, fire, building, and zoning codes.

113717. (a) Any person requesting the department to undertake any activity pursuant to Sections 114056, 114417, and 114419.3 shall pay the department's costs incurred in undertaking the activity. The department's services shall be assessed at the current hourly cost-recovery rate, and it shall be entitled to recover any other costs reasonably and actually incurred in performing those activities, including, but not limited to, the costs of additional inspection and laboratory testing. For purposes of this section, the department's hourly rate shall be adjusted annually in accordance with Section 100425.

(b) The department shall provide to the person paying the required fee a statement, invoice, or similar document that describes in reasonable detail the costs paid.

(c) For purposes of this section only, the term “person” does not include any city, county, city and county, or other political subdivision of the state or local government.

113718. The Retail Food Safety and Defense Fund is hereby established as a special fund in the State Treasury. All moneys collected by the department under subdivision (a) of Section 113717 shall be deposited into the fund, for expenditure by the department, upon appropriation by the Legislature, solely for the purpose of implementing and carrying out this part.

113719. Structural and sanitation requirements shall be based on the food service activity to be conducted, the type of food that is to be prepared or served, and the extent of food preparation that is to be conducted at the food facility.

113725. (a) The enforcement agency shall utilize a standardized food facility inspection format for food facility inspections that includes all of the following:

(1) The name and address of the food facility.  
(2) Identification of the following inspection criteria, which shall be the basis of the inspection report:

- (A) Improper holding temperatures of potentially hazardous foods.
- (B) Improper cooling of potentially hazardous foods.
- (C) Inadequate cooking of potentially hazardous foods.
- (D) Poor personal hygiene of food employees.
- (E) Contaminated equipment.
- (F) Food from unapproved sources.

(3) For each violation identified pursuant to paragraph (2), classification of the violation as a minor violation or major violation.

(b) An enforcement agency may modify the format to add criteria to those specified pursuant to paragraph (2) of subdivision (a), if both of the following conditions are met:

(1) The additional criteria are based on other provisions of this part.  
(2) A violation is identified by reference to items and sections of this part, or the regulations adopted pursuant to this part relating to those items, if a food facility is cited for a violation of the additional criteria.

(c) This section shall not restrict the ability of the enforcement agency to inspect and report on criteria other than those subject to regulation under this part.

113725.1. A copy of the most recent routine inspection report conducted to assess compliance with this part shall be maintained at the food facility and made available upon request. The food facility shall post a notice advising patrons that a copy of the most recent routine inspection report is available for review by any interested party.

113725.2. Local enforcement agencies, and the department when adequate funding is made available to the department, shall conduct routine training on food facility inspection standardization to promote the uniform application of inspection procedures.

113725.3. (a) The department shall publish standardized procedures for enforcement agencies to report food facility inspection information regarding each food facility. The report shall include all of the following:

- (1) Name and address of the food facility.
- (2) Date of last inspection.
- (3) Identification of any major violation identified in a food facility inspection.

- (4) Reinspection date, if applicable.

- (5) Period of closure, if applicable.

(b) The department, in consultation with local environmental health directors, representatives of the retail food industry, and other interested parties, may periodically review and revise the standardized procedures established pursuant to subdivision (a). In making any revisions, the department shall strive to ensure that the required information can be reported and made available in the most efficient, timely, and cost-effective manner.

(c) (1) The standardized procedures established pursuant to this section shall include a standardized electronic format and protocol for reporting the food facility inspection data in a timely manner, and shall strive to ensure that the information is readily accessible, can be rapidly reported, and, if necessary, corrected, for each food facility that has been inspected or reinspected. If the enforcement agency determines that reported information is materially in error, that error shall be corrected within 48 hours after that determination.

(2) The department may establish standardized procedures for reporting the information on electronic media, including, but not limited to, floppy disks or compact disks.

(d) Within 60 days after the department has established the standardized procedures pursuant to this section, the department shall publish these procedures.

(e) (1) Each enforcement agency that reports food facility inspection information on an Internet Web site shall report the information in accordance with the standardized procedures established pursuant to this section.

(2) This section shall not restrict the ability of an enforcement agency to report on matters other than matters subject to regulation under this part.



(f) The department may establish a link to each Internet Web site utilized by any enforcement agency containing the food facility inspection information pursuant to subdivision (e).

## CHAPTER 2. DEFINITIONS

113728. The following definitions apply in the interpretation and application of this part.

113729. "Food additive" has the meaning stated in Section 109940. "Color additive" has the meaning stated in Section 109895.

113732. "Adulterated" means either of the following:

(a) Food that bears or contains any poisonous or deleterious substance that may render the food impure or injurious to health.

(b) Food that is manufactured, prepared, or stored in a manner that deviates from a HACCP plan so as to pose a discernable increase in risk.

113733. "Acute gastrointestinal illness" means a short duration illness most often characterized by one of the following symptoms or groups of symptoms, which are known to be commonly associated with the agents most likely to be transmitted from infected food employees through contamination of food:

(a) Diarrhea, either alone or in conjunction with other gastrointestinal symptoms, such as vomiting, fever, or abdominal cramps.

(b) Vomiting in conjunction with either diarrhea or two other gastrointestinal symptoms, such as fever or abdominal cramps.

113734. "Approved" means acceptable to the enforcement agency based on a determination of conformity with applicable laws, or, in the absence of applicable laws, current public health principles, practices, and generally recognized industry standards that protect public health.

113735. "Approved source" means a food source allowed under Article 3 (commencing with Section 114021) of Chapter 4, or a producer, manufacturer, distributor, transporter that meets the requirements of Section 113982, or food facility that is acceptable to the enforcement agency based on a determination of conformity with applicable laws, or, in the absence of applicable laws, with current public health principles and practices, and generally recognized industry standards that protect public health.

113737. " $a_w$ " means water activity that is a measure of the free moisture in a food, is the quotient of the water vapor pressure of the substance divided by the vapor pressure of pure water at the same temperature, and is indicated by the symbol  $a_w$ .

113739. "Beverage" means a liquid for drinking, including water.

113740. "CCR" means the California Code of Regulations.

113742. “Certified farmers’ market” means a location that is certified by the State of California through the enforcement officers of the county agricultural commissioners and operated pursuant to Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and regulations adopted pursuant to that chapter.

113744. “C.F.R.” means the Code of Federal Regulations. Citations in this part to the C.F.R. refer sequentially to the title, part, and section numbers, such as 21 C.F.R. 178.1010 refers to Title 21, Part 178, Section 1010.

113747. (a) “CIP” means cleaned in place by the circulation or flowing by mechanical means through a piping system of a detergent solution, water rinse, and sanitizing solution onto or over equipment surfaces that require cleaning, such as the method used, in part, to clean and sanitize a frozen dessert machine.

(b) “CIP” does not include the cleaning of equipment such as band saws, slicers, or mixers that are subjected to in-place manual cleaning without the use of a CIP system.

113748. “Comingle” means:

(a) To combine shellstock harvested on different days or from different growing areas as identified on the tag or label.

(b) To combine shucked shellfish from containers with different container codes or different shucking dates.

113750. (a) “Comminuted” means reduced in size by methods including chopping, flaking, grinding, or mincing.

(b) “Comminuted” includes fish or meat products that are reduced in size and restructured or reformulated including, but not limited to, gefilte fish, formed roast beef, gyros, ground beef, sausage, and a mixture of two or more types of meat that have been reduced in size and combined, including, but not limited to, sausages made from two or more meats.

113751. “Commissary” means a food facility that services mobile food facilities, mobile support units, or vending machines where all of the following occur:

(a) Food, containers, or supplies are stored.

(b) Food is prepared or prepackaged for sale or service at other locations.

(c) Utensils are cleaned.

(d) Liquid and solid wastes are disposed, or potable water is obtained.

113755. “Community event” means an event that is of civic, political, public, or educational nature, including state and county fairs, city festivals, circuses, and other public gathering events approved by the local enforcement agency.

113756. “Condiment” means a nonpotentially hazardous food, such as relishes, spices, sauces, confections, or seasonings, that requires no

additional preparation, and that is used on a food item, including, but not limited to, ketchup, mustard, mayonnaise, sauerkraut, salsa, salt, sugar, pepper, or chile peppers.

113757. "Consumer" means a person who is a member of the public, takes possession of food, is not functioning in the capacity of an operator of a food facility, and does not offer the food for resale.

113759. "Control point" means any distinct procedure or step in receiving, storing, handling, preparing, displaying, transporting, or dispensing a food.

113760. "Critical control point" means a point or procedure in a specific food system where loss of control may result in an unacceptable health risk.

113761. "Critical limit" means the maximum or minimum value to which a physical, biological, or chemical parameter must be controlled at a critical control point to minimize the risk that the identified food safety hazard may occur.

113763. "Department" means the State Department of Health Services.

113767. "Easily cleanable" means a characteristic of a surface that allows effective removal of soil, food residue, or other organic or inorganic materials by normal cleaning methods.

113768. "Easily movable" means either of the following:

(a) Portable; mounted on casters, gliders, or rollers so as to be moveable by one person; or provided with a mechanical means to safely tilt or move a unit of equipment for cleaning.

(b) Having no utility connection, a utility connection that disconnects quickly, or a flexible utility connection line of sufficient length to allow the equipment to be moved for cleaning of the equipment and adjacent area.

113769. "Egg" means the shell egg of the domesticated chicken, turkey, duck, goose, or guinea.

113770. "Employee" means the permitholder, person in charge, person having supervisory or management duties, person on the payroll, family member, volunteer, person performing work under contractual agreement, or other person working in a food facility.

113773. "Enforcement agency" means the department or the local health agency having jurisdiction over the food facility.

113774. "Enforcement officer" means the director, agents, or environmental health specialists appointed by the Director of Health Services, and all local health officers, directors of environmental health, and their duly authorized registered environmental health specialists and environmental health specialist trainees.

113777. (a) “Equipment” means an article that is used in the operation of a food facility, including, but not limited to, a freezer, grinder, hood, icemaker, meat block, mixer, oven, reach-in refrigerator, scale, food and utensil shelving and cabinets, sink, slicer, stove, table, temperature measuring device for ambient air, vending machine, or warewashing machine.

(b) “Equipment” does not include items used for handling or storing large quantities of prepackaged foods that are received from a supplier in a cased or overwrapped lot, such as hand trucks, forklifts, dollies, pallets, racks, and skids.

113778. “Exclude” means to prevent a person from working as a food employee or entering a food facility except for those areas open to the general public.

113778.1. “FDA” means the United States Food and Drug Administration.

113779. (a) “Fish” means fresh or saltwater finfish, crustaceans, and other forms of aquatic life, other than birds or mammals, and all molluscan shellfish, if intended for human consumption. “Fish” also includes alligator, frog, aquatic turtle, jellyfish, sea cucumber, and sea urchin, and the roe of these animals.

(b) “Fish” includes a product derived in whole or in part from fish, including fish that have been processed in any manner.

113781. “Food” means a raw, cooked, or processed edible substance, ice, beverage, an ingredient used or intended for use or for sale in whole or in part for human consumption, and chewing gum.

113783. “Food bank” means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purposes of reducing hunger and supplying nutritional needs.

113784. “Food compartment” means an enclosed space with all of the following characteristics:

(a) The space is defined by a physical barrier from the outside environment that completely encloses all food, food-contact surfaces, and the handling of nonprepackaged food.

(b) All access openings are equipped with tight-fitting closures, or one or more alternative barriers that effectively protect the food from contamination, facilitate safe food handling, while minimizing exposure to the environment.

(c) It is constructed from materials that are nontoxic, smooth, easily cleanable, and durable and is constructed to facilitate the cleaning of the interior and exterior of the compartment.

113786. “Food-contact surface” means either of the following:

(a) A surface of equipment or a utensil with which food normally comes into contact.

(b) A surface of equipment or a utensil from which food may drain, drip, or splash into a food or onto a surface normally in contact with food.

113788. “Food employee” means an employee working with food, food equipment or utensils, or food-contact surfaces.

113789. (a) “Food facility” means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, including, but not limited to, the following:

(1) An operation where food is consumed on or off the premises, regardless of whether there is a charge for the food.

(2) Any place used in conjunction with the operations described in this subdivision, including, but not limited to, storage facilities for food-related utensils, equipment, and materials.

(b) “Food facility” includes permanent and nonpermanent food facilities, including, but not limited to, the following:

(1) Public and private school cafeterias.

(2) Restricted food service facilities.

(3) Licensed health care facilities.

(4) Commissaries.

(5) Mobile food facilities.

(6) Mobile support units.

(7) Temporary food facilities.

(8) Vending machines.

(9) Certified farmers’ markets, for purposes of permitting and enforcement.

(c) “Food facility” does not include any of the following:

(1) A cooperative arrangement wherein no permanent facilities are used for storing or handling food, a private home, church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs not more than three days in any 90-day period, or a for-profit entity that gives or sells food to members and guests for the benefit of a nonprofit association, if the for-profit entity receives no monetary benefit, other than that resulting from recognition from participating in an event.

(2) Premises set aside for winetasting, as that term is used in Section 23356.1 of the Business and Professions Code and in the regulations adopted pursuant to that section, if no food or beverage is offered for sale for onsite consumption.

(3) Premises operated by a producer, selling or offering for sale only whole produce grown by the producer, or shell eggs, or both, provided the sales are conducted on premises controlled by the producer.

(4) A commercial food processing plant as defined in Section 111955.

113791. “Food preparation” means packaging, processing, assembling, portioning, or any operation that changes the form, flavor, or consistency of food, but does not include trimming of produce.

113794. “Food safety program” means any city, county, or city and county program that requires, at a minimum, either of the following:

(a) The training of one or more individuals, whether denominated as “owners,” “managers,” “handlers,” or otherwise, relating in any manner to food safety issues.

(b) Individuals to pass a food safety certification examination.

113794.1. “Food handler program” means any city, county, or city and county program that requires that all or a substantial portion of the employees of a food facility who are involved in the preparation, storage, service, or handling of food products, engage in an approved food safety training or pass an approved food safety certification examination, or both.

113795. (a) “Game animal” means an animal, the products of which are food, that is not classified as cattle, sheep, swine, goat, horse, mule, or other equine in 9 C.F.R. 301, as poultry in 9 C.F.R. 381, or as fish as defined under Subpart 1–201.10(B)(31) of the Food and Drug Administration 2001 Food Code.

(b) “Game animal” includes mammals such as reindeer, elk, deer, antelope, water buffalo, bison, rabbit, squirrel, opossum, raccoon, nutria, or muskrat, and nonaquatic reptiles such as land snakes.

(c) “Game animal” does not include ratites such as ostrich, emu, and rhea.

113797. “Grade A standards” means the requirements of the United States Public Health Service/FDA “Grade A Pasteurized Milk Ordinance” and “Grade A Condensed and Dry Milk Ordinance” with which certain fluid and dry milk and milk products comply.

113799. “HACCP” means a Hazard Analysis Critical Control Point.

113801. “HACCP plan” means a written document that delineates the formal procedures for following the Hazard Analysis Critical Control Point principles developed by the National Advisory Committee on Microbiological Criteria for Foods and complies with the requirements of Section 114419.1.

113803. “Hazard” means a biological, chemical, or physical property that may cause an unacceptable public health risk.

113804. “Hearing officer” means a local health officer, a director of environmental health, or his or her designee.

113805. “Hermetically sealed container” means a container that is designed and intended to be secure against the entry of micro-organisms and, in the case of low acid canned foods, to maintain the commercial sterility of its contents after processing.

113810. “Imminent health hazard” means a significant threat or danger to health that is considered to exist when there is evidence sufficient to show that a product, practice, circumstance, or event creates a situation that can cause food infection, food intoxication, disease transmission, vermin infestation, or hazardous condition that requires immediate correction or cessation of operation to prevent injury, illness, or death.

113812. “Impound” means the legal control exercised by the enforcement officer over the use, sale, disposal, or removal of any food, equipment, or utensils.

113814. “Injected” means manipulating a meat so that infectious or toxigenic microorganisms may be introduced from its surface to its interior through tenderizing with deep penetration or injecting the meat by processes that may be referred to as “injecting,” “pinning,” or “stitch pumping.”

113815. “Juice” means the aqueous liquid expressed or extracted from one or more fruits or vegetables, purees of the edible portions of one or more fruits or vegetables, or any concentrates of such liquid or puree. “Juice” includes juice as a beverage, an ingredient of a beverage, and a puree as an ingredient of a beverage.

113816. “Law” means applicable local, state, and federal statutes, regulations, and ordinances.

113818. (a) “Limited food preparation” means food preparation that is restricted to one or more of the following:

(1) Heating, frying, baking, roasting, popping, blending, or assembly of nonprepackaged food.

(2) Bulk dispensing of nonpotentially hazardous beverages.

(3) Holding, portioning, and dispensing of any foods that are prepared for satellite food service by the onsite permanent food facility or prepackaged by another approved source.

(4) Slicing and chopping of food on a heated cooking surface during the cooking process.

(5) Cooking and seasoning to order.

(b) “Limited food preparation” does not include slicing and chopping unless it is on the heated cooking surface thawing, cooling of cooked potentially hazardous food, slicing, chopping, or grinding of raw ingredients or potentially hazardous food, reheating for hot holding, washing of foods, or cooking of potentially hazardous foods for later use.

113820. “Linens” means fabric items such as cloth hampers, cloth napkins, tablecloths, wiping cloths, and work garments, including cloth gloves.

113821. “Major violation” means a violation of this part that poses an imminent health hazard and warrants immediate closure of the food facility or immediate correction.

113823. “Meat” means the flesh of animals used as food, including the dressed flesh of cattle, swine, sheep, goats, game animal, and other edible animals, except fish and poultry.

113824. “Menu change” means a modification of a food facility’s menu that would require a change in the food facility’s food preparation methods, storage equipment, or storage capacity previously approved by the local enforcement agency. These changes may include, but are not limited to, the addition of potentially hazardous foods to a menu, installation of new food preparation or storage equipment, or increasing storage capacity.

113827. “Minor violation” means a violation of this part that does not pose an imminent health hazard, but does warrant correction.

113831. “Mobile food facility” means any vehicle used in conjunction with a commissary or other permanent food facility upon which food is sold or distributed at retail. “Mobile food facility” does not include a “transporter” used to transport packaged food from a food facility, or other approved source to the consumer.

113833. “Mobile support unit” means a vehicle used in conjunction with a commissary or other permanent food facility that travels to and services mobile food facilities as needed to replenish supplies, including food and potable water, clean the interior of the unit, or dispose of liquid or solid wastes.

113835. “Molluscan shellfish” means any edible species of fresh or frozen oysters, clams, mussels, and scallops or edible portions thereof, except when the scallop product consists only of the shucked adductor muscle.

113837. “Multiservice utensil” means a utensil manufactured for use more than one time.

113839. “Nonpermanent food facility” means a food facility that operates from a mobile unit or at a nonpermanent location, including, but not limited to, a certified farmers’ market, a mobile food facility, a mobile support unit, a temporary food facility, or a vending machine.

113841. “Nonprofit charitable organization” means either of the following:

(a) A corporation incorporated pursuant to the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code), that is exempt from taxation pursuant to paragraphs



(1) to (10), inclusive, and paragraph (19) of Section 501(c) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code.

(b) An organization that was organized and is in operation for charitable purposes and meets the requirements of Section 214 of the Revenue and Taxation Code.

113842. “Nonprofit charitable temporary food facilities” means either one of the following:

(a) A temporary food facility, as defined in Section 113930, that is conducted by a nonprofit charitable organization, as defined in Section 113841.

(b) An established club or organization of students that operates under the authorization of a school or other educational facility.

113843. “Open-air barbecue” means a piece of equipment designed for barbecuing food, where the food is prepared out of doors by cooking directly over hot coals, heated lava, hot stones, gas flame, or other method approved by the department, on equipment suitably designed and maintained for use out of doors, that is operated by a temporary food facility, or a mobile food facility that remains fixed during hours of operations at a community event or a permanent food facility.

113846. “Outdoor wood-burning oven” means an oven located out of doors, that utilizes wood as the primary fuel for cooking and is operated on the same premises as, and in conjunction with, a permanent food facility.

113849. “Permanent food facility” means a food facility operating in a permanently constructed structure, including any room, building, place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving, manufacturing, packaging, or otherwise handling food at the retail level.

113851. “Permit” means the document issued by the enforcement agency that authorizes a person to operate a food facility.

113853. “Permitholder” means the entity that is legally responsible for the operation of the food facility, such as the owner, the owner’s agent, or other person, and possesses a valid permit to operate a food facility.

113855. “Person” means any individual, firm, partnership, joint venture, association, limited liability company, corporation, estate, trust, receiver, syndicate, city, county, or other political subdivision, or any other group or combination acting as a unit.

113856. “Person in charge” means the individual present at a food facility who is responsible for the operation of the food facility.

113859. (a) “Personal care items” means items or substances that may be poisonous, toxic, or a source of contamination and are used to maintain or enhance a person’s health, hygiene, or appearance.

(b) “Personal care items” include items such as medicines, first aid supplies, cosmetics, and toiletries such as toothpaste and mouthwash.

113861. “pH” means the symbol for the negative logarithm of the hydrogen ion concentration, which is a measure of the degree of acidity or alkalinity of a solution. Values between 0 and 7 indicate acidity and values between 7 and 14 indicate alkalinity. The value for pure distilled water is 7, which is considered neutral.

113863. “Plumbing fixture” means a receptacle or device that is permanently or temporarily connected to the water distribution system of the premises and demands a supply of water from the system or discharges used water, waste materials, or sewage directly or indirectly to the drainage system of the premises.

113865. “Plumbing system” means the water supply and distribution pipes, plumbing fixtures and traps, soil, waste, and vent pipes, sanitary and storm sewers and building drains, including their respective connections, devices, and appurtenances within the premises, and water-treating equipment.

113867. “Poisonous or toxic materials” means substances that are not intended for ingestion and are included in one of the following categories:

(a) Cleaners and sanitizers, which include cleaning and sanitizing agents and agents such as caustics, acids, drying agents, polishes, and other chemicals.

(b) Pesticides except sanitizers, which include substances such as insecticides and rodenticides.

(c) Substances necessary for the operation and maintenance of the facility, such as nonfood grade lubricants and personal care items that may be deleterious to health.

(d) Substances that are not necessary for the operation and maintenance of the facility and are on the premises for retail sale, such as petroleum products and paints.

113868. “Portable” means equipment that is capable of being lifted and moved or has utility connections that are designed to be disconnected or of sufficient length to permit the unit to be moved for cleaning, and does not exceed 80 pounds (36kg) in weight.

113869. “Potable water” means water that complies with the standards for transient noncommunity water systems pursuant to the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12, to the extent permitted by federal law.

113871. (a) “Potentially hazardous food” means a food that is natural or synthetic and that requires temperature control because it is in a form capable of supporting the rapid and progressive growth of infectious or toxigenic micro-organisms, the growth and toxin production of

*Clostridium botulinum*, or, in raw shell eggs, the growth of salmonella enteritidis.

(b) "Potentially hazardous food" includes a food of animal origin that is raw or heat-treated, a food of plant origin that is heat-treated or consists of raw seed sprouts, cut melons, and garlic-in-oil mixtures that are not acidified or otherwise modified at a food processing plant in a way that results in mixtures that do not support growth as specified under subdivision (a).

(c) "Potentially hazardous food" does not include any of the following:

(1) A food with an  $a_w$  value of 0.85 or less.

(2) A food with a pH level of 4.6 or below when measured at 75°F.

(3) A shell egg that is not hard-boiled but has been treated to destroy all viable salmonellae.

(4) A food in an unopened, hermetically sealed container that is commercially processed to achieve and maintain commercial sterility under conditions of nonrefrigerated storage and distribution.

(5) A food that has been shown by appropriate microbial challenge studies approved by the enforcement agency not to support the rapid and progressive growth of infectious or toxigenic micro-organisms that may cause food infections or food intoxications, or the growth and toxin production of *Clostridium botulinum*, such as a food that has an  $a_w$  and a pH that are above the levels specified under paragraphs (1) and (2) and that may contain a preservative, other barrier to the growth of micro-organisms, or a combination of barriers that inhibit the growth of micro-organisms.

(6) A food that does not support the rapid and progressive growth of infectious or toxigenic micro-organisms, even though the food may contain an infectious or toxigenic micro-organism or chemical or physical contaminant at a level sufficient to cause illness.

113873. (a) "Poultry" means either of the following:

(1) Any domesticated bird, including chickens, turkeys, ducks, geese, or guineas, whether live or dead, as defined in 9 C.F.R. 381 Poultry Products Inspection Regulations.

(2) Any migratory waterfowl, game bird, including a pheasant, partridge, quail, grouse, or guinea, or pigeon, or squab, whether live or dead, as defined in 9 C.F.R. 362 Voluntary Poultry Inspection Program.

(b) "Poultry" does not include ratites.

113874. "Premises" means:

(a) The food facility, its contents, and the contiguous land or property and its facilities and contents that are under the control of the permitholder.

(b) The food facility, its contents, and the land or property not described in subdivision (a) if the facility and contents are under the

control of the permitholder and may impact food facility personnel, facilities, or operations.

113876. "Prepackaged food" means any properly labeled processed food, prepackaged to prevent any direct human contact with the food product upon distribution from the manufacturer, and prepared at an approved source.

113877. "Produce" means any whole fruit or vegetable in its raw and natural state.

113879. "Produce stand" means a permanent food facility that sells, offers for sale, or gives away only produce or shell eggs, or both.

113880. "Producer" means a person or entity who produces shell eggs, fruits, nuts, or vegetables by practice of the agricultural arts upon land that the person or entity controls.

113881. "Ready-to-eat food" means food that is in a form that is edible without additional preparation to achieve food safety, as specified in Section 114004 or Section 114008, is a raw or partially cooked food of animal origin and the consumer is advised as specified under Section 114093, or may receive additional preparation for palatability or aesthetic, epicurean, gastronomic, or culinary purposes. "Ready-to-eat food" includes all of the following:

(a) Raw food of animal origin that is cooked as specified in Section 114004 or 114008.

(b) Raw fruits and vegetables that are washed as specified in Section 113992.

(c) Fruits and vegetables that are cooked for hot holding as specified in Section 114010.

(d) All potentially hazardous food that is cooked to the temperature and time required for the specific food under Sections 114004, 114008, and 114010 and cooled as specified in Section 114002.

(e) Produce for which further washing, cooking, or other processing is not required for food safety, and from which rinds, peels, husks, or shells, if naturally present, are removed.

(f) Substances derived from plants, such as spices, seasonings, and sugar.

(g) A bakery item, such as bread, cakes, pies, fillings, or icing, for which further cooking is not required for food safety.

(h) The following products that are produced in accordance with USDA guidelines and that have received a lethality treatment for pathogens: dry, fermented sausages, such as dry salami or pepperoni; salt-cured meat and poultry products, such as prosciutto ham, country cured ham, and parma ham; and dried meat and poultry products, such as jerky or beef sticks.

(i) Foods manufactured according to 21 C.F.R. Part 113—Thermally Processed Low-Acid Foods Packaged in Hermetically Sealed Containers.

113883. “Reduced-oxygen packaging” means the reduction of the amount of oxygen in a package by mechanically evacuating the oxygen, displacing the oxygen with another gas or combination of gases, or otherwise controlling the oxygen content in a package to a level below that normally found in the surrounding atmosphere, which is 21 percent oxygen.

“Reduced-oxygen packaging” includes methods that may be referred to as altered atmosphere, modified atmosphere, controlled atmosphere, low oxygen, and vacuum packaging, including sous vide.

113885. “Refrigeration unit” means a mechanical unit that extracts heat from an area through liquefaction and evaporation of a fluid by a compressor, flame, or thermoelectric device, and includes a mechanical thermostatic control device that regulates refrigerated blown air into an enclosed area at or below the minimum required food storage temperature of potentially hazardous foods in conformance with Section 113996.

113887. “Refuse” means solid waste not carried by water through the sewage system.

113889. “Remodel” means construction, building, or repair to the food facility that requires a permit from the local building authority. For purposes of mobile food facilities, temporary food facilities, and satellite food service, “remodel” means any replacement or significant modification of an integral piece of equipment.

113893. (a) “Restricted food service facility” means either of the following:

(1) A food facility of 20 guestrooms or less that provides overnight transient occupancy accommodations, that serves food only to its registered guests, that serves only a breakfast or similar early morning meal and no other meals, and that includes the price of food in the price of the overnight transient occupancy accommodation.

(2) An agricultural homestay facility that meets all of the following requirements:

(A) Has not more than six guest rooms or accommodates not more than 15 guests.

(B) Provides overnight transient accommodations.

(C) Serves food only to its registered guests and serves meals at any time, and includes the price of food in the price of the overnight transient occupancy accommodation.

(D) Lodging and meals are incidental and not the primary function of the agricultural homestay facility.

(E) The agricultural homestay facility is located on, and is a part of, a farm, as defined in Section 52262 of the Food and Agricultural Code, that produces agricultural products as its primary source of income.

(b) Notwithstanding subdivision (a), a restricted food service facility may serve light foods or snacks presented to the guest for self-service.

(c) The predominant relationship between the occupants of a restricted food service facility and the permitholder of the facility is that of innkeeper and guest. For purposes of this section, the existence of some other legal relationships as between some occupants and the permitholder shall be immaterial.

113894. “Restrict” means to limit the activities of a food employee so that there is no risk of transmitting a disease that is transmissible through food and the food employee does not work with exposed food, clean equipment, utensils, linens, and unwrapped single-use articles.

113895. “Retail” means the storing, preparing, serving, manufacturing, packaging, transporting, salvaging, or otherwise handling food for dispensing or sale directly to the consumer or indirectly through a delivery service.

113897. “Sanitization” means the application of cumulative heat or chemicals on cleaned food-contact surfaces that, when evaluated for efficacy, is sufficient to yield a reduction of five logs, which is equal to a 99.999 percent reduction, of representative disease micro-organisms of public health importance.

113899. “Satellite food service” means a remotely located food service operation that is conducted on the same property as, in reasonable proximity to, and in conjunction with and by, a fully enclosed permanent food facility. Satellite food service does not include remote food service operations located within a fully enclosed permanent food facility.

113901. “Sealed” means free of cracks or other openings that allow the entry or passage of moisture.

113903. “Service animal” means an animal such as a guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability.

113907. “Shellfish certification number” means a unique combination of letters and numbers assigned by a shellfish control authority to a molluscan shellfish dealer according to the provisions of the National Shellfish Sanitation Program.

113909. “Shellfish control authority” means a state, federal, foreign, tribal, or other government entity legally responsible for administering a program that includes certification of molluscan shellfish harvesters and dealers for interstate commerce.

113911. “Shellstock” means raw, in-shell molluscan shellfish.

113912. “Shucked shellfish” means molluscan shellfish that have one or both shells removed.

113914. “Single-use articles” mean utensils, tableware, carry-out utensils, bulk food containers, and other items such as bags, containers, placemats, stirrers, straws, toothpicks, and wrappers that are designed and constructed for one time, one person use, after which they are intended for discard. “Single-use articles” also include items such as wax paper, butcher paper, plastic wrap, formed aluminum food containers, jars, plastic tubs or buckets, bread wrappers, pickle barrels, ketchup bottles, and number 10 cans that do not meet the materials, durability, strength, and cleanability specifications for utensils under Sections 114130, 114130.1, and 114130.3.

113915. “Slacking” means the process of moderating the temperature of a food, such as allowing a food to gradually increase from a temperature of  $-10^{\circ}\text{F}$  to  $25^{\circ}\text{F}$  in preparation for deep-fat frying or to facilitate even heat penetration during the cooking of previously block-frozen food.

113916. “Smooth” means any of the following:

(a) A food-contact surface that is free of pits, pinholes, cracks, crevices, inclusions, rough edges, and other surface imperfections detectable by visual or tactile inspection.

(b) A nonfood-contact equipment surface equal to that of commercial grade hot-rolled steel free of visible scale.

(c) A floor, wall, or ceiling having an even or level surface with no roughness or projections that render it difficult to clean.

113917. “Swap meet” shall have the meaning set forth in Section 21661 of the Business and Professions Code.

113924. “Table-mounted equipment” means equipment that is not portable and is designed to be mounted off the floor on a table, counter, or shelf.

113926. “Tableware” means eating, drinking, and serving utensils for table use, including forks, knives, spoons, bowls, cups, serving dishes, tumblers, and plates.

113928. “Temperature measuring device” means a thermometer, thermocouple, thermistor, or other device that indicates the temperature of food, air, or water.

113930. “Temporary food facility” means a food facility approved by the enforcement officer that may be readily disassembled for storage or for transporting, and readily assembled to its original integrity at a different location, is easily movable, and operates at a fixed location for the duration of an approved community event or at a swap meet.

113931. “Tight-fitting” means fabricated so that joining members are in contact along the entire seam with no opening greater than 1/64th inch (.04 cm).

113932. “Transporter” means any vehicle used to transport food from a manufacturer, distributor, retail food facility, or other approved source to a retail food facility.

113933. “USDA” means the United States Department of Agriculture.

113934. “Utensil” means a food-contact implement or container used in the storage, preparation, transportation, dispensing, sale, or service of food, such as kitchenware or tableware that is multiuse, single-service, or single-use, gloves used in contact with food, temperature sensing probes of food temperature measuring devices, and probe-type price or identification tags used in contact with food.

113936. “Variance” means a written document issued by the department that allows the use of an alternative practice or procedure based on a determination by the department that the alternate practice or procedure is equivalent to the existing requirements, and that a health hazard will not result from the alternative practice or procedure. A variance may be issued in the following circumstances:

(a) For employee hygiene, as described in subdivision (e) of Section 113953, and Sections 113953.3 and 113953.4.

(b) For protection of food from contamination, as described in Sections 113984, 113986, 113988, and 113992.

(c) For time as a public health control, as described in Section 114000.

(d) For cooling time and methods, as described in Sections 114002 and 114002.1.

(e) For cooking and reheating temperatures for potentially hazardous food, as described in Sections 114004, 114008, 114010, and 114016.

(f) For use of raw shell eggs in foods that are not thoroughly cooked, as described in Section 114012.

(g) For thawing of frozen food, as described in Section 114020.

(h) For receiving temperatures of potentially hazardous foods, as described in Section 114037.

(i) For reduced-oxygen packaging of potentially hazardous food, as described in Sections 114057 and 114057.1.

(j) For sanitization methods for food-contact and nonfood-contact surfaces, as described in Sections 114099.6, 114109, 114117, 114119, and 114121.

113938. “Vending machine” means a self-service device that, upon insertion of money or tokens, dispenses food without the necessity of replenishing the device between each vending operation and that operates in conjunction with a commissary. “Vending machine” does not include any device dispensing exclusively peanuts, nuts, popcorn, gum, or hard



candy, prepackaged candy, cookies, crackers, or similar snacks and beverages that are not potentially hazardous food, and prepackaged ice.

113939. "Vermin" means cockroaches, mice, rats, and similar pests.

113939.1. "Vermin infestation" means the presence of vermin within the food facility as evidenced by actual live bodies, fresh droppings or vomitus, urine stains, or gnaw marks, that could result in contamination to the food, equipment, packaging, or utensils.

113940. "Warewashing" means the cleaning and sanitizing of utensils and food-contact surfaces of equipment.

113941. "Warm water" means water that is supplied through a mixing valve or combination faucet at a temperature of at least 100°F.

### CHAPTER 3. MANAGEMENT AND PERSONNEL

#### Article 1. Supervision

113945. The permitholder shall be the person in charge or shall designate a person in charge and shall ensure that a person in charge is present at the food facility during all hours of operation.

113945.1. The person in charge shall ensure both of the following:

(a) Except as specified in Section 113984.1, persons unnecessary to the food facility operation shall not be allowed in the food preparation, food storage, or warewashing areas.

(b) Consumers are notified that clean tableware is to be used when they return to self-service areas, such as salad bars and buffets, as specified in Section 114075.

#### Article 2. Employee Knowledge

113947. All food employees shall have adequate knowledge of, and shall be properly trained in, food safety as it relates to their assigned duties.

113947.1. (a) Food facilities that prepare, handle, or serve nonprepackaged potentially hazardous food, except temporary food facilities, shall have an owner or employee who has successfully passed an approved and accredited food safety certification examination as specified in Sections 113947.2 and 113947.3. There shall be at least one food safety certified owner or employee at each food facility. No certified person at a food facility may serve at any other food facility as the person required to be certified pursuant to this subdivision. The certified owner or employee need not be present at the food facility during all hours of operation.

(b) Food facilities that are not subject to the requirements of subdivision (a) that prepare, handle, or serve nonprepackaged, nonpotentially hazardous foods, except temporary food facilities, shall do one of the following:

(1) Have an owner or employee who has successfully passed an approved and accredited food safety certification examination as specified in Sections 113947.2 and 113947.3.

(2) Demonstrate to the enforcement officer that the employees have an adequate knowledge of food safety principles as they relate to the specific operation involved in their assigned duties.

(c) On and after January 1, 2007, temporary food facilities that prepare, handle, or serve nonprepackaged food shall have an owner or person in charge who can demonstrate to the enforcement officer that he or she has an adequate knowledge of food safety principles as they relate to the specific food facility operation.

(d) (1) For the purposes of this section, multiple contiguous food facilities permitted within the same site and under the same management, ownership, or control shall be deemed to be one food facility, notwithstanding the fact that the food facilities may operate under separate permits.

(2) This subdivision shall not apply to the premises of a licensed winegrower or brandy manufacturer utilized for wine tastings conducted pursuant to Section 23356.1 of the Business and Professions Code of wine or brandy produced or bottled by, or produced and prepackaged for, that licensee when use is limited to wine tasting.

(e) A food facility that commences operation, changes ownership, or no longer has a certified owner or employee pursuant to this section shall have 60 days to comply with this subdivision.

(f) The responsibilities of a certified owner or employee at a food facility or an owner or person in charge of a temporary food facility described in subdivision (c) shall include the safety of food preparation and service, including ensuring that all employees who handle, or have responsibility for handling, nonprepackaged foods of any kind, have sufficient knowledge to ensure the safe preparation or service of the food, or both. The nature and extent of the knowledge that each employee is required to have may be tailored, as appropriate, to the employee's duties related to food safety issues.

(g) The food safety certificate issued pursuant to Section 113947.3 shall be retained on file at the food facility at all times, and shall be made available for inspection by the enforcement officer.

(h) Certified individuals shall be recertified every five years by passing an approved and accredited food safety certification examination.

(i) A food safety program that was not in effect prior to January 1, 1999, shall not be enacted, adopted, implemented, or enforced, unless the program fully conforms to the requirements of this part.

113947.2. The food safety certification examination shall include, but need not be limited to, all of the following elements of knowledge:

(a) Foodborne illness, including terms associated with foodborne illness, micro-organisms, hepatitis A, and toxins that can contaminate food and the illness that can be associated with contamination, definition and recognition of potentially hazardous foods, chemical, biological, and physical contamination of food, and the illnesses that can be associated with food contamination, and major contributing factors for foodborne illness.

(b) The relationship between time and temperature with respect to foodborne illness, including the relationship between time and temperature and micro-organisms during the various food handling, preparation, and serving states, and the type, calibration, and use of thermometers in monitoring food temperatures.

(c) The relationship between personal hygiene and food safety, including the association of hand contact, personal habits and behaviors, and food employee health to foodborne illness, and the recognition of how policies, procedures, and management contribute to improved food safety practices.

(d) Methods of preventing food contamination in all stages of food handling, including terms associated with contamination and potential hazards prior to, during, and after delivery.

(e) Procedures for cleaning and sanitizing equipment and utensils.

(f) Problems and potential solutions associated with facility and equipment design, layout, and construction.

(g) Problems and potential solutions associated with temperature control, preventing cross-contamination, housekeeping, and maintenance.

113947.3. (a) Food safety certification shall be achieved by successfully passing an examination from an accredited food protection manager certification organization. The certification organization must be accredited by the American National Standards Institute as meeting the requirements of the Conference for Food Protection's "Standards for Accreditation of Food Protection Manager Certification Programs." Those food employees who successfully pass an approved certification examination shall be issued a certificate by the certifying organization. The issuance date for each original certificate issued pursuant to this section shall be the date when the individual successfully completes the examination. Certificates shall be valid for five years from the date of original issuance. Any replacement or duplicate certificate shall have as

its expiration date the same expiration date that was on the original certificate.

(b) (1) Within 12 months after the effective date of this part, the department, in consultation with the California Conference of Directors of Environmental Health, representatives of the retail food industry, and other interested parties, shall develop and implement a program for the purposes of demonstrating adequate knowledge for operators of temporary food facilities.

(2) At least one of the accredited statewide food safety certification examinations shall cost no more than sixty dollars (\$60), including the certificate. However, the department may adjust the cost of food safety certification examinations to reflect actual expenses incurred in producing and administering the food safety certification examinations required under this section. If a food safety certification examination is not available at the price established by the department, the certification and recertification requirements relative to food safety certification examinations imposed by this section shall not apply.

113947.4. Except as provided in Section 113947.5, no city, county, or city and county may enact, adopt, implement, or enforce any requirement that any food facility or any person certified pursuant to this section do any of the following:

(a) Obtain any food safety certificate or other document in addition to the certificate required by Section 113947.1.

(b) Post, place, maintain, or keep the certificate other than as specified in subdivision (e) of Section 113947.1.

(c) Pay any fee or other sum as a condition for having a certificate verified, validated, or otherwise processed by the city, county, or city and county.

113947.5. Certification conferred pursuant to this part shall be recognized throughout the state. Nothing in this part shall be construed to prohibit any enforcement agency from implementing or enforcing a food handler program that took effect prior to January 1, 1998, but only in the form in which the program existed prior to January 1, 1998.

113947.6. Notwithstanding Section 114395, a violation of any provision in Sections 113947.1 to 113947.5, inclusive, shall constitute an infraction punishable by a fine of not more than one hundred dollars (\$100) for each day of operation in violation.

### Article 3. Employee Health

113949. It is the intent of the Legislature to reduce the likelihood of foodborne disease transmission by preventing any food employee who is suffering from symptoms associated with an acute gastrointestinal

illness, or known to be infected with a communicable disease that is transmissible through food, from engaging in the handling of food until the food employee is determined to be free of that illness or disease, or incapable of transmitting the illness or disease through food as specified in this article.

113949.1. (a) When a local health officer is notified of an illness that can be transmitted by food in a food facility or by a food employee of a food facility, the local health officer shall inform the local enforcement agency. The local health officer or the local enforcement agency, or both, shall notify the person in charge of the food facility and shall investigate conditions and may, after the investigation, take appropriate action, and for reasonable cause, require any or all of the following measures to be taken:

(1) The immediate restriction or exclusion of any employee or food employee applicant from the affected food facility.

(2) The immediate closing of the food facility until, in the opinion of the local enforcement agency, the identified danger of disease outbreak has been addressed. Any appeal of the closure shall be made in writing within five days to the applicable local enforcement agency.

(3) Any medical evaluation of any employee, including any laboratory test or procedure, that may be indicated. If an employee refuses to participate in a medical evaluation, the local enforcement agency may require the immediate exclusion of the refusing employee from that or any other food facility until an acceptable medical evaluation or laboratory test or procedure shows that the food employee is not infectious.

(b) For purposes of this section, "illness" means a condition caused by any of the following infectious agents:

(1) *Salmonella typhi*.

(2) *Salmonella* spp.

(3) *Shigella* spp.

(4) *Entamoeba histolytica*.

(5) Enterohemorrhagic or shiga toxin producing *Escherichia coli*.

(6) Hepatitis A virus.

(7) Norovirus.

(8) Other communicable diseases that are transmissible through food.

113949.2. The permitholder shall instruct all food employees regarding the relationship between personal hygiene and food safety, including the association of hand contact, personal habits and behaviors, and food employee health to foodborne illness. The permitholder shall require food employees to report the following to the person in charge:

(a) If an employee or applicant is diagnosed with an illness due to one of the following:

- (1) *Salmonella typhi*.
- (2) *Salmonella* spp.
- (3) *Shigella* spp.
- (4) *Entamoeba histolytica*.
- (5) Enterohemorrhagic or shiga toxin producing *Escherichia coli*.
- (6) Hepatitis A virus.
- (7) Norovirus.

(b) If a food employee has a lesion or wound that is open or draining and is one of the following:

(1) On the hands or wrists, unless an impermeable cover such as a finger cot or stall protects the lesion and a single-use glove is worn over the impermeable cover.

(2) On exposed portions of the arms, unless the lesion is protected by an impermeable cover.

(3) On other parts of the body, unless the lesion is covered by a dry, durable, tight-fitting bandage.

113949.4. A food employee shall do both of the following:

(a) Report to the person in charge the information specified under Section 113949.2.

(b) Comply with the exclusions or restrictions, or both, that are specified under Section 113950.

113949.5. (a) The person in charge shall notify the local enforcement agency when notified that the food employee or food employee applicant has been diagnosed with an infectious agent specified under subdivision (b) of Section 113949.1.

(b) A person in charge shall notify the local enforcement agency when he or she is aware that two or more food employees are concurrently experiencing symptoms associated with an acute gastrointestinal illness.

113950. (a) The local health officer or, in consultation with the local health officer, the local enforcement agency shall do either of the following:

(1) Exclude a food employee from a food facility if the food employee is diagnosed with an infectious agent specified in subdivision (b) of Section 113949.1 and the food employee is symptomatic and still considered infectious.

(2) Restrict a food employee if the food employee is diagnosed with an infectious agent specified under subdivision (b) of Section 113949.1 and is not experiencing symptoms of the illness associated with that agent but is still considered infectious with an agent specified in subdivision (b) of Section 113949.1.

(b) The person in charge shall do either of the following:

(1) Exclude a food employee from a food facility if the food employee is diagnosed with an infectious agent specified under subdivision (b) of Section 113949.1.

(2) Restrict a food employee from working with exposed food; clean equipment, utensils, and linens; and unwrapped single-service and single-use articles in a food facility if the food employee is suffering from symptoms of an acute gastrointestinal illness.

113950.5. (a) The person in charge may remove a restriction for a food employee upon the resolution of symptoms as reported by a food employee if the food employee states that he or she no longer has any symptoms of an acute gastrointestinal illness.

(b) Only the local health officer or the local enforcement agency, or both, shall remove exclusions or restrictions, or both, related to diagnosed illnesses due to infectious agents specified in subdivision (b) of Section 113949.1 after written local health officer clearance stating that the excluded or restricted food employee is no longer considered infectious.

#### Article 4. Handwashing

113952. Food employees shall keep their hands and exposed portions of their arms clean.

113953. (a) Handwashing facilities shall be provided within or adjacent to toilet rooms. The number of handwashing facilities required shall be in accordance with local building and plumbing codes.

(b) (1) Except as otherwise provided in Section 114358, food facilities constructed or extensively remodeled after January 1, 1996, that handle nonprepackaged food, shall provide facilities exclusively for handwashing in food preparation areas and in warewashing areas that are not located within or immediately adjacent to food preparation areas. Handwashing facilities shall be sufficient in number and conveniently located so as to be accessible at all times for use by food employees.

(2) The handwashing facility shall be separated from the warewashing sink by a metal splashguard with a height of at least 6 inches, that extends from the back edge of the drainboard to the front edge of the drainboard, the corners of the barrier to be rounded. No splashguard is required if the distance between the handwashing sink and the warewashing sink drainboards is 24 inches or more.

(c) Handwashing facilities shall be equipped to provide warm water under pressure for a minimum of 15 seconds through a mixing valve or combination faucet.

(d) An automatic handwashing facility may be installed and used in accordance with the manufacturer's instructions.

(e) Notwithstanding subdivision (b), the enforcement agency may allow handwashing facilities other than those required by this section when it deems that the alternate facilities are adequate.

113953.1. (a) A handwashing facility shall be clean, unobstructed, and accessible at all times for employee use.

(b) A handwashing facility shall not be used for purposes other than handwashing.

(c) Employees shall not clean their hands in a sink used for food preparation, warewashing, or in a service sink or a curbed cleaning facility used for the disposal of mop water and similar liquid waste.

(d) Notwithstanding subdivision (c), a warewashing sink may be used for handwashing as specified in Section 114125.

113953.2. A handwashing facility shall be provided with the following in dispensers at, or adjacent to, each handwashing facility:

(a) Handwashing cleanser.

(b) Sanitary single-use towels or a heated-air hand drying device.

113953.3. (a) Except as specified in subdivision (b), all employees shall thoroughly wash their hands and that portion, if any, of their arms exposed to direct food contact with cleanser and warm water by vigorously rubbing together the surfaces of their lathered hands and arms for at least 10 to 15 seconds and thoroughly rinsing with clean running water followed by drying of cleaned hands and that portion, if any, of their arms exposed. Employees shall pay particular attention to the areas underneath the fingernails and between the fingers. Employees shall wash their hands in all of the following instances:

(1) Immediately before engaging in food preparation, including working with nonprepackaged food, clean equipment and utensils, and unwrapped single-use food containers and utensils.

(2) After touching bare human body parts other than clean hands and clean, exposed portions of arms.

(3) After using the toilet room.

(4) After caring for or handling any animal allowed in a food facility pursuant to this part.

(5) After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating, or drinking.

(6) After handling soiled equipment or utensils.

(7) During food preparation, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks.

(8) When switching between working with raw food and working with ready-to-eat food.

(9) Before donning gloves for working with food.

(10) Before dispensing or serving food or handling clean tableware and serving utensils in the food service area.



(11) After engaging in other activities that contaminate the hands.

(b) If approved and capable of removing the types of soils encountered in the food operations involved, an automatic handwashing facility may be used by food employees to clean their hands.

113953.4. (a) Hand sanitizer shall be applied only to hands that are cleaned as specified under Section 113953.3.

(b) A hand sanitizer and a chemical hand sanitizing solution used as a hand dip shall do the following:

(1) Comply with one of the following:

(A) Be a drug that is listed in the FDA publication Approved Drug Products with Therapeutic Equivalence Evaluations as an FDA approved drug based on safety and effectiveness.

(B) Have active antimicrobial ingredients that are listed in the FDA monograph for OTC Health-Care Antiseptic Drug Products as an antiseptic handwash.

(2) Comply with one of the following:

(A) Have components that are exempted from the requirement of being listed in federal food additive regulations as specified in 21 CFR 170.39—Threshold of regulation for substances used in food-contact surfaces; or

(B) Comply with and be listed in:

(i) 21 CFR 178—Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers as regulated for use as a food additive with condition of safe use, or

(ii) 21 CFR 182—Substances Generally Recognized as Safe, 21 CFR—Direct Food Substances Affirmed as Generally Recognized as Safe, or 21 CFR 186—Indirect Food Substances Affirmed as Generally Recognized as Safe for use in contact with food.

(c) If a hand sanitizer or a chemical hand sanitizing solution used as a hand dip does not meet the criteria specified under subdivision (b) of this section, use shall be:

(1) Followed by thorough hand rinsing in clean running water before any contact with food or by the use of gloves; or

(2) Limited to situations that involved no direct contact with food by the bare hands.

(d) A chemical hand sanitizing solution used as a hand dip shall be maintained clean and at a strength equivalent to at least 100mg/L chlorine.

113953.5. (a) Except as specified in subdivision (b), a sign or poster that notifies food employees to wash their hands shall be posted at all handwashing lavatories used by food employees, and shall be clearly visible to food employees.

(b) This section does not apply to toilet rooms in guestrooms of restricted food service facilities.

113961. (a) Food employees shall minimize bare hand and arm contact with nonprepackaged food that is in a ready-to-eat form.

(b) Food employees shall use utensils, including scoops, forks, tongs, paper wrappers, gloves, or other implements, to assemble ready-to-eat food or to place ready-to-eat food on tableware or in other containers. However, food employees may assemble or place on tableware or in other containers ready-to-eat food in an approved food preparation area without using utensils if hands are cleaned in accordance with Section 113953.3.

(c) Food that has been served to the customer and then wrapped or prepackaged at the direction of the customer shall be handled only with utensils. These utensils shall be properly sanitized before reuse.

#### Article 5. Personal Cleanliness

113967. No employee shall commit any act that may result in the contamination or adulteration of food, food-contact surfaces, or utensils.

113968. Food employees shall keep their fingernails trimmed, filed, and maintained so the edges and surfaces are cleanable and not rough.

113969. (a) Except as specified in subdivision (b), all food employees preparing, serving, or handling food or utensils shall wear hair restraints such as hats, hair coverings, or nets that are designed and worn to effectively keep their hair from contacting nonprepackaged food, clean equipment, utensils, linens, and unwrapped single-use articles.

(b) This section does not apply to food employees, such as counter staff who only serve beverages and wrapped or prepackaged foods, hostesses, and wait staff, if they present a minimal risk of contaminating nonprepackaged food, clean equipment, utensils, linens, and unwrapped single-use articles.

113971. Food employees shall wear clean outer clothing to prevent contamination of food, equipment, utensils, linens, and single-use articles.

#### Article 6. Hygienic Practices

113973. (a) Gloves shall be worn when contacting food and food-contact surfaces if the employee has any cuts, sores, rashes, artificial nails, nail polish, rings (other than a plain ring, such as a wedding band), uncleanable orthopedic support devices, or fingernails that are not clean, smooth, or neatly trimmed.

(b) Whenever gloves are worn, they shall be changed, replaced, or washed as often as handwashing is required by this part.

(c) If used, single-use gloves shall be used for only one task, such as working with ready-to-eat food or with raw food of animal origin, used for no other purpose, and shall be discarded when damaged or soiled, or when interruptions in the food handling occur.

(d) Except as specified in subdivision (e), slash-resistant gloves that are used to protect the hands during operations requiring cutting shall be used only with food that is subsequently cooked as specified in Section 114004, such as frozen food or a primal cut of meat.

(e) Slash-resistant gloves may be used with ready-to-eat food that will not be subsequently cooked if the slash-resistant gloves have a smooth, durable, and nonabsorbent outer surface or if the slash-resistant gloves are covered with a smooth, durable, nonabsorbent glove, or a single-use glove.

(f) Cloth gloves may not be used in direct contact with food unless the food is subsequently cooked.

113974. Food employees experiencing, while at work in a food facility, persistent sneezing, coughing, or runny nose that is associated with discharges from the eyes, nose, or mouth, and that cannot be controlled by medication, shall not work with exposed food; clean equipment, utensils, or linens; or unwrapped single-use utensils.

113976. A food employee may not use a utensil more than once to taste food that is to be sold or served.

113977. (a) Except as specified in subdivision (b), an employee shall eat, drink, or use any form of tobacco only in designated areas where contamination of nonprepackaged food; clean equipment, utensils, and linens; unwrapped single-use articles; or other items needing protection can result.

(b) A food employee may drink from a closed beverage container if the container is handled to prevent contamination of the employee's hands, the container, nonprepackaged food, and food-contact surfaces.

113978. Food facilities shall have a "no smoking" sign posted in the food preparation, food storage, and warewashing areas.

#### CHAPTER 4. GENERAL FOOD SAFETY REQUIREMENTS

##### Article 1. Protection from Contamination

113980. All food shall be manufactured, produced, prepared, compounded, packed, stored, transported, kept for sale, and served so as to be pure and free from adulteration and spoilage; shall have been obtained from approved sources; shall be protected from dirt, vermin, unnecessary handling, droplet contamination, overhead leakage, or other environmental sources of contamination; shall otherwise be fully fit for

human consumption; and shall conform to the applicable provisions of the Sherman Food, Drug, and Cosmetic Law (Part 5 (commencing with Section 109875)).

113982. (a) Food shall be transported in a manner that meets the following requirements:

(1) The interior floor, sides, and top of the food holding area shall be constructed of a smooth, washable, impervious material capable of withstanding frequent cleaning.

(2) The food holding area shall be constructed and operated so that no liquid wastes can drain onto any street, sidewalk, or premises.

(3) For potentially hazardous food, approved methods shall be used to maintain food at the required holding temperatures.

(4) Food, utensils, and supplies shall be protected from contamination.

(b) This section shall not apply to the transportation of prepackaged nonpotentially hazardous foods.

113984. (a) Adequate and suitable counter space shall be provided for all food preparation operations.

(b) During preparation, unpackaged food shall be protected from dirt, vermin, unnecessary handling, droplet contamination, overhead leakage, or other environmental sources of contamination.

(c) Except as specified in subdivision (d), food preparation shall be conducted within a fully enclosed food facility.

(d) Limited food preparation shall be conducted within a food compartment or as approved by the enforcement agency. All food shall be thawed, washed, sliced, and cooled within an approved fully enclosed food facility.

(e) Food shall be prepared with suitable utensils and on surfaces that, prior to use, have been cleaned, rinsed, and sanitized as specified in Section 114117 to prevent cross-contamination.

(f) Overhead protection shall be provided above all food preparation, food display, and food storage areas.

113984.1. Customer access to a food facility through the food preparation area is permissible, at the discretion of the permitholder, if ready-to-eat foods are prepared in approved areas separated from sources of contamination by a space of at least three feet from the consumer and in areas that are separate from raw or undercooked foods. The route of access shall be separated from the required space by a rail or wall at least three feet high or otherwise clearly delineated.

113986. (a) Food shall be protected from cross-contamination by utilizing one or more of the following methods:

(1) Separating raw food of animal origin during transportation, storage, preparation, holding, and display from raw ready-to-eat food, including other raw food of animal origin such as fish for sushi or molluscan

shellfish, or other raw ready-to-eat food such as produce, and cooked ready-to-eat food.

(2) Except when combined as ingredients, separating types of raw foods of animal origin from each other during transportation, storage, preparation, holding, and display in the following ways:

(A) Using separate equipment for each type.

(B) Arranging each type of food in equipment so that cross-contamination of one type with another is prevented.

(C) Preparing each type of food at different times or in separate areas.

(D) Except as specified in subdivision (b) of this section, storing the food in packages, covered containers, or wrappings.

(E) Cleaning hermetically sealed containers of food of visible soil before opening.

(F) Protecting food containers that are received packaged together in a case or overwrap from cuts when the case or overwrap is opened.

(G) Storing damaged, spoiled, or recalled food being held in the food establishment as specified in Section 114055.

(H) Separating fruits and vegetables before they are washed, as specified in Section 113992, from ready-to-eat food.

(b) Subparagraph (D) of paragraph (2) of subdivision (a) of this section shall not apply to any of the following:

(1) Whole, uncut, raw fruits and vegetables and nuts in the shell that require peeling or hulling before consumption.

(2) Primal cuts, quarters, or sides of raw meat or slab bacon that are hung on clean, sanitized hooks or placed on clean, sanitized racks.

(3) Whole, uncut, processed meats, such as country hams, and smoked or cured sausages that are placed on clean, sanitized racks.

(4) Food being cooled as specified in paragraph (2) of subdivision (a) of Section 114002.1.

(5) Shellstock.

113988. (a) Food shall be protected from contamination that may result from the addition of unsafe or unapproved food or color additives or unsafe or unapproved levels of approved food and color additives.

(b) A food employee may not apply sulfiting agents to fresh fruits and vegetables intended for raw consumption, or to any potentially hazardous food.

113990. Ice that has been used as a medium for cooling the exterior surfaces of food such as melons or fish, prepackaged foods such as canned beverages, or cooling coils and tubes of equipment, shall not be used as food.

113992. (a) Produce shall be thoroughly washed in potable water to remove soil and other contaminants before being cut, combined with other ingredients, cooked, served, or offered for human consumption in

ready-to-eat form, except as specified in subdivision (b) and except when intended for washing by the consumer before consumption.

(b) Chemicals used to wash or peel produce shall meet the requirements specified in 21 C.F.R. 173.315.

## Article 2. Time and Temperature Relationships

113996. (a) Except during preparation, cooking, cooling, transportation to or from a retail food facility for a period of less than 30 minutes, or when time is used as the public health control as specified under Section 114000, or as otherwise provided in this section, potentially hazardous food shall be maintained at or above 135°F, or at or below 41°F.

(b) Roasts cooked to a temperature and for a time specified in subdivision (b) of Section 114004 may be held at a temperature of 130°F.

(c) The following foods may be held between 41°F and 45°F:

- (1) Raw shell eggs.
- (2) Unshucked live molluscan shellfish.
- (3) Pasteurized milk and pasteurized milk products in original, sealed containers.

(4) 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. For purposes of this subdivision, a display case shall not be deemed to be a serving line.

(5) Potentially hazardous foods held for sampling at a certified farmers' market.

(6) Potentially hazardous foods held during transportation.

113998. If it is necessary to remove potentially hazardous food from the specified holding temperatures to facilitate preparation, this preparation shall in no case exceed two cumulative hours without a return to the specified holding temperatures.

114000. (a) Except as specified in subdivision (b), if 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, the following shall occur:

(1) The food shall be marked or otherwise identified to indicate the time that is four hours past the point in time when the food is removed from temperature control.

(2) The food shall be cooked and served, served if ready-to-eat, or discarded within four hours from the point in time when the food is removed from temperature control.

(3) The food in unmarked containers or packages or marked to exceed a four-hour limit shall be discarded.

(4) Written procedures shall be maintained in the food facility and made available to the enforcement agency upon request, that ensure compliance with Section 114002, for food that is prepared, cooked, and refrigerated before time is used as a public health control.

(b) Time only, rather than time in conjunction with temperature, may not be used as the public health control for raw eggs in the following food facilities:

- (1) Licensed health care facilities.
- (2) Public and private school cafeterias.

114002. (a) Whenever food has been prepared or heated so that it becomes potentially hazardous, it shall be rapidly cooled if not held at or above 135°F.

(b) After heating or hot holding, potentially hazardous food shall be cooled rapidly from 135°F to 70°F within two hours and from 70°F to 41°F or below within four hours.

(c) Potentially hazardous food shall be cooled within four hours to 41°F or less if prepared from ingredients at ambient temperature, such as reconstituted foods and canned tuna.

(d) Except as specified in subdivision (e), a potentially hazardous food received in compliance with laws allowing a temperature above 41°F during shipment from the supplier as specified in Section 114037, shall be cooled within four hours to 41°F or less.

(e) Shell eggs need not comply with subdivision (c) or (d) if the eggs are placed immediately upon their receipt in refrigerated equipment that maintains an ambient temperature of 45°F or less.

114002.1. (a) The rapid cooling of potentially hazardous foods shall be accomplished in accordance with the time and temperature criteria specified in Section 114002 by using one or more of the following methods based on the type of food being cooled:

- (1) Placing the food in shallow pans.
- (2) Separating the food into smaller or thinner portions.
- (3) Using rapid cooling equipment.
- (4) Using containers that facilitate heat transfer.
- (5) Adding ice as an ingredient.
- (6) Using ice paddles.
- (7) Inserting appropriately designed containers in an ice bath and stirring frequently.
- (8) In accordance with an HACCP plan adopted pursuant to this part.
- (9) Utilizing other effective means that have been approved by the enforcement agency.

(b) When placed in cooling or cold holding equipment, food containers in which food is being cooled shall be arranged in the equipment to provide maximum heat transfer through the container walls, loosely covered, or uncovered if protected from overhead contamination during the cooling period to facilitate heat transfer from the surface of the food, and stirred as necessary to evenly cool a liquid or a semi-liquid food.

114004. (a) Except as specified in subdivision (c), all ready-to-eat foods prepared at a food facility from raw or incompletely cooked food of animal origin shall be cooked to heat all parts of the food to a temperature and for a time that complies with the following methods based on the food that is cooked:

(1) The following shall be heated to a minimum internal temperature of 145°F or above for 15 seconds:

(A) Raw shell eggs that are broken and prepared in response to a consumer's order and for immediate service.

(B) Fish.

(C) Single pieces of meat, including beef, veal, lamb, pork, and game animals from approved sources.

(2) The following foods shall be heated to a minimum internal temperature of 155°F for 15 seconds or the temperature specified in the following chart that corresponds to the holding time:

(A) Ratites and injected meats.

(B) Comminuted meat or any food containing comminuted meat.

(C) Raw eggs and foods containing raw eggs that are not prepared as specified in paragraph (1).

Minimum	
Temperature (°F)	Time
145	3 minutes
150	1 minute
158	< 1second (instantaneous)

(3) The following shall be heated to a minimum internal temperature of 165°F for 15 seconds:

(A) Poultry.

(B) Comminuted poultry.

(C) Stuffed fish, stuffed meat, stuffed poultry, stuffed ratites, stuffed pasta.

(D) Stuffing containing fish, meat, poultry, or ratites.

(b) Whole beef roasts, corned beef roasts, pork roasts, and cured pork roasts, such as ham, shall be cooked as specified in both of the following:



(1) In an oven that is preheated to the temperature specified for the roast's weight in the following chart and that is held at that temperature:

Oven Type	Oven Temperature Based on Roast Weight	
	Less than 10 lbs	10 lbs or more
Still Dry	350°F or more	250°F or more
Convection	325°F or more	250°F or more
High Humidity*	250°F or less	250°F or less

\*Relative humidity greater than 90% for at least 1 hour measured in the cooking chamber or exit of the oven; or in a moisture-impermeable bag that provides 100% humidity.

(2) As specified in the following chart, to heat all parts of the food to a temperature and for the holding time that corresponds to that temperature:

Temperature (°F)	Time* in Minutes	Temperature (°F)	Time* in Seconds
130	112	147	134
131	89	149	85
133	56	151	54
135	36	153	34
136	28	155	22
138	18	157	14
140	12	158	0
142	8		
144	5		
145	4		

\* Holding time may include postoven heat rise.

(c) The department may approve alternative time and temperature minimum heating requirements to thoroughly cook the foods identified in this section when the food facility or person demonstrates to the department that the alternative heating requirements provide an equivalent level of food safety.

114008. Raw foods of animal origin cooked in a microwave oven shall meet all of the following requirements:

- (a) Be rotated or stirred throughout or midway during cooking to compensate for uneven distribution of heat.
- (b) Be covered to retain surface moisture.
- (c) Be heated to a temperature of at least 165°F in all parts of the food.
- (d) Stand covered for at least two minutes after cooking to obtain temperature equilibrium.

114010. Fruits and vegetables that are cooked for hot holding shall be cooked to a minimum temperature of 135°F.

114012. Except as specified in Section 114091, pasteurized eggs or pasteurized egg products shall be substituted for raw shell eggs in the preparation of foods such as Caesar salad, hollandaise or Béarnaise sauce, mayonnaise, eggnog, ice cream, and egg-fortified beverages that are not cooked as specified under Section 114004, nor included in Section 114093.

114014. Cooked and refrigerated food that is prepared for immediate service in response to an individual consumer order may be served at any temperature.

114016. (a) Except as specified under subdivisions (b) and (c), potentially hazardous food that is cooked, cooled, and reheated for hot holding shall be reheated so that all parts of the food reach a temperature of at least 165°F for 15 seconds.

(b) Except as specified under subdivision (c), potentially hazardous food reheated in a microwave oven for hot holding shall be reheated so that all parts of the food reach a temperature of at least 165°F and the food is rotated or stirred, covered, and allowed to stand covered for at least two minutes after reheating.

(c) Ready-to-eat food taken from a commercially processed, hermetically sealed container, or from an intact package from a food processing plant shall be heated to a temperature of at least 135°F for hot holding.

(d) Reheating for hot holding shall be done rapidly, and the time the food is between 41°F and 165°F shall not exceed two hours.

(e) Remaining unsliced portions of roasts that are cooked as specified under Section 114004 may be reheated for hot holding using the oven parameters and minimum time and temperature conditions as specified in Section 114004.

114018. Frozen foods shall be stored and displayed in their frozen state unless being thawed in accordance with Section 114020.

114020. Frozen potentially hazardous food shall only be thawed in one of the following ways:

(a) Under refrigeration that maintains the food temperature at 41°F or below.

(b) Completely submerged under potable running water for a period not to exceed two hours at a water temperature of 70°F or below, and with sufficient water velocity to agitate and flush off loose particles into the sink drain.

(c) In a microwave oven if immediately followed by immediate preparation.

(d) As part of a cooking process.

114020.1. Frozen potentially hazardous food that is slacked to moderate the temperature shall be held under refrigeration that maintains the food temperature at 41°F or less, or at any temperature if the food remains frozen.

### Article 3. Food from Approved Sources

114021. (a) Food shall be obtained from sources that comply with all applicable laws.

(b) Food prepared in a private home may not be used or offered for sale in a food facility.

114023. Food in a hermetically sealed container shall be obtained from a food processing plant that is regulated by the food regulatory agency that has jurisdiction over the plant.

114024. (a) Liquid, frozen, and dry eggs and egg products shall be obtained pasteurized.

(b) Frozen milk products, such as ice cream, shall be obtained pasteurized as specified in 21 C.F.R. 135–Frozen Desserts.

(c) Fluid and dry milk and milk products complying with Grade A standard as specified in law shall be obtained pasteurized.

(d) This section shall not apply to properly labeled prepackaged raw milk and raw milk products obtained from an approved source and dispensed and sold at retail by the food facility in compliance with 17 CCR 11380.

114025. Ice for use as a food or a cooling medium shall be made from potable water.

114027. Fish that are received for sale or service shall be commercially and legally caught or harvested.

114029. (a) Molluscan shellfish shall be obtained from sources according to law and the requirements specified in the United States Department of Health and Human Services, Public Health Service, Food and Drug Administration, National Shellfish Sanitation Program Guide for the Control of Molluscan Shellfish.

(b) Molluscan shellfish received in interstate commerce shall be from sources that are listed in the Interstate Certified Shellfish Shippers List.

(c) Molluscan shellfish that are recreationally caught shall not be received for sale or service.

114031. (a) Game animals shall be received from an approved source.

(b) A game animal shall not be received for sale or service if it is a species of wildlife that is listed in 50 C.F.R. 17 Endangered and Threatened Wildlife and Plants or is listed as an endangered or threatened animal by the Department of Fish and Game.

(c) The enforcement agency may approve the use of legally obtained donated fish and game by nonprofit organizations authorized to serve meals to indigent persons.

(1) "Fish," as used in this subdivision, shall be defined as that term is used in Section 45 of the Fish and Game Code.

(2) "Game," as used in this subdivision, means any game bird, as defined in Section 3500 of the Fish and Game Code, or game mammal, as defined in Section 3950 of the Fish and Game Code.

#### Article 4. Receipt of Food

114035. (a) Food shall be inspected upon receipt and prior to any use, storage, or resale.

(b) Food shall be accepted only if the inspection conducted upon receipt determines that the food satisfies all of the following:

(1) Was prepared by and received from approved sources.

(2) Is received in a wholesome condition.

(3) Is received in packages that are in good condition and that protect the integrity of the contents so that the food is not exposed to adulteration or potential contaminants.

(4) Is in containers and on pallets that are not infested with vermin or otherwise contaminated.

(c) Potentially hazardous food shall be inspected for signs of spoilage and randomly checked for adherence to the temperature requirements as specified in Section 113996.

114037. (a) Except as specified in subdivision (b), refrigerated, potentially hazardous food may be at a temperature of 45°F or below when received, if the potentially hazardous food is cooled within four hours of receipt to a temperature at or below 41°F.

(b) If a temperature other than 41°F for a potentially hazardous food is specified in law governing its distribution, the food may be received at the specified temperature and cooled as specified in subdivisions (d) and (e) of Section 114002.

(c) Live molluscan shellfish shall not be accepted unless received at an internal temperature of 45°F or below, or, if received on the date of harvest, at a temperature above 45°F.

(d) Potentially hazardous food that is received hot shall be at a temperature of 135°F or above.

(e) A food that is labeled frozen and shipped frozen by a food processing plant shall be received frozen and accepted only if there are not visible signs of thawing or refreezing.

(f) Upon receipt, potentially hazardous food shall be free of evidence of previous temperature abuse.

114039. (a) Raw shucked shellfish shall be obtained in nonreturnable packages that bear a legible label that identifies the name, address, and certification number of the shucker-packer or repacker of the molluscan shellfish, and a “sell by” date for packages with a capacity of less than one-half gallon, or the date shucked for packages with a capacity of one-half gallon or more.

(b) A package of raw shucked shellfish that does not bear a label or that bears a label that does not contain all the information required by subdivision (a) shall be subject to Section 114393 and a hold order or seizure and destruction in accordance with 21 C.F.R. 1240.60(d).

114039.1. (a) Shellstock shall be obtained in containers bearing legible source identification tags or labels that are affixed by the harvester and each dealer that depurates, ships, or reships the shellstock. Except as specified by subdivision (c), on the harvester’s or dealer’s tag or label, the following information shall be listed in the following order:

- (1) The harvester’s or dealer’s name and address.
- (2) The harvester’s certification number as assigned by the authority and the original shellstock shipper’s certification number.
- (3) The date of harvesting.
- (4) The most precise identification of the harvest location or aquaculture site that is practicable based on the system of harvest area designations that is in use by the shellfish control authority and including the abbreviation of the name of the state or country in which the shellfish are harvested.
- (5) The type and quantity of shellfish.
- (6) The following statement in bold, capitalized type: “THIS TAG IS REQUIRED TO BE ATTACHED UNTIL CONTAINER IS EMPTY OR RETAGGED AND THEREAFTER KEPT ON FILE FOR 90 DAYS.”
- (7) The dealer’s tag or label shall also indicate the original shipper’s certification number, including the abbreviation of the name of the state or country in which the shellfish are harvested.

(b) A container of shellstock that does not bear a tag or label or that bears a tag or label that does not contain all the information required under subdivision (a) shall be subject to a hold order or seizure and destruction in accordance with 21 C.F.R. 1240.60(d).

(c) If the harvester’s tag or label is designed to accommodate each dealer’s identification, individual dealer tags or labels need not be provided.

114039.2. When received by a food facility, shellstock shall be reasonably free of mud, dead shellfish, and shellfish with broken shells. Dead shellfish or shellstock with badly broken shells shall be discarded.

114039.3. (a) Except as specified in subdivisions (b) and (c), molluscan shellfish shall not be removed from the container in which they are received other than immediately before sale or preparation for service.

(b) Shellstock may be removed from the container in which they are received and displayed on drained ice or held in a display container. A quantity specified by a consumer may be removed from the display or display container and provided to the consumer if the source of the shellstock on display is identified as specified under Section 114039.1 and recorded as specified under Section 114039.4 and the shellstock are protected from contamination.

(c) Shucked shellfish may be removed from the container in which they were received and held in a display container from which individual servings are dispensed upon a consumer's request if the labeling information for the shellfish on display as specified under Section 114039 is retained and correlated to the date when, or dates during which, the shellfish are sold or served and the shellfish are protected from contamination.

114039.4. (a) Except as specified by subdivision (b), shellstock tags shall remain attached to the container in which the shellstock are received until the container is empty.

(b) The identity of the source of shellstock that are sold or served shall be maintained by retaining shellstock tags or labels for 90 calendar days from the date the lot is emptied in the following ways:

(1) Using a record keeping system that keeps the tags or labels in chronological order correlated to the date or dates the shellstock are sold or served.

(2) Preserving source identification by using a record keeping system as specified under paragraph (1) to ensure that shellstock from one tagged or labeled container are not commingled with shellstock from another container before being ordered by the consumer.

(3) If shellstock are portioned and prepackaged, including a copy of the corresponding shellstock tag or properly labeling the package with the required shellfish information.

114039.5. (a) Except as specified in subdivision (b), molluscan shellfish life-support system display tanks shall not be used to display shellfish that are offered for human consumption and shall be conspicuously marked so that it is obvious to the consumer that the shellfish are for display only.

(b) Molluscan shellfish life support system display tanks that are used to store and display shellfish that are offered for human consumption shall be operated and maintained in accordance with an approved HACCP

plan as specified in Section 114056. Operation and maintenance shall ensure the following:

(1) Water used with fish other than molluscan shellfish does not flow into the molluscan tank.

(2) The safety and quality of the shellfish as they were received are not compromised by the use of the tank.

(3) The identity of the source of the shellstock is retained as specified in Section 114039.4.

(c) Molluscan shellfish life support system display tanks that were approved for operation prior to the effective date of this part need not comply with Sections 114417 and 114419.3.

114041. Shell eggs shall be received clean and sound and may not exceed the restricted egg tolerances for United States Consumer Grade B Standards.

#### Article 5. Food Storage

114047. (a) Adequate and suitable space shall be provided for the storage of food.

(b) Except as specified in subdivisions (c) and (d), food shall be protected from contamination by storing the food in a clean, dry location, where it is not exposed to splash, dust, vermin, or other forms of contamination or adulteration, and at least six inches above the floor.

(c) Food in packages and working containers may be stored less than six inches above the floor on case lot handling equipment as specified under Section 114165.

(d) Pressurized beverage containers, cased food in waterproof containers such as bottles or cans, and milk containers in plastic crates may be stored on a floor that is clean and not exposed to moisture.

114049. Food shall not be stored in any of the following ways:

(a) In locker rooms.

(b) In toilet rooms.

(c) In dressing rooms.

(d) In refuse rooms.

(e) In mechanical rooms.

(f) Under sewer lines that are not shielded to intercept potential drips.

(g) Under leaking water lines, including leaking automatic fire sprinkler heads, or under lines on which water has condensed.

(h) Under open stairwells.

(i) Under other sources of contamination.

114051. Working containers holding food or food ingredients that are removed from their original packages for use in the food facility, such as cooking oils, flour, herbs, potato flakes, salt, spices, and sugar,

shall be identified with the common name of the food, except that containers holding food that can be readily and unmistakably recognized, such as dry pasta, need not be identified.

114053. (a) Prepackaged food may not be stored in direct contact with ice or water if the food is subject to the entry of water because of the nature of its packaging, wrapping, or container, or its positioning in the ice or water.

(b) Except as specified in subdivisions (c) and (d), nonprepackaged food may not be stored in direct contact with undrained ice.

(c) Whole raw fruits or vegetables, cut raw vegetables, and tofu may be immersed in ice or water.

(d) Raw chicken and raw fish that are received immersed in ice in shipping containers may remain in that condition while in storage awaiting preparation, display, service, or sale.

114055. (a) Products that are held by the permitholder for credit, redemption, or return to the distributor, such as damaged, spoiled, or recalled products, shall be segregated and held in designated areas that are separated from food, equipment, utensils, linens, and single-use articles.

(b) All returned or damaged food products and food products from which the label has been removed shall be separated and stored in a separate area and in a manner that shall prevent adulteration of other foods and shall not contribute to a vermin problem.

#### Article 6. Specialized Processing Methods

114056. A food facility shall submit an HACCP plan for approval by the department as specified in Sections 114419.1 and 114419.2 prior to engaging in any of the following:

(a) Smoking food as a method of food preservation rather than as a method of flavor enhancement.

(b) Curing food.

(c) Using food additives or adding components such as vinegar as a method of food preservation rather than as a method of flavor enhancement, or to render a food so that it is not potentially hazardous.

(d) Packaging food using a reduced-oxygen packaging method, except as specified in Section 114057.1, where a barrier to *Clostridium botulinum* in addition to refrigeration exists.

(e) Operating a molluscan shellfish life support system display tank used to store and display shellfish that are offered for human consumption.

(f) Custom processing animals that are for personal use as food and not for sale or service in a food facility.



(g) Preparing food by another method that is determined by the enforcement agency to require an HACCP plan.

114057. (a) Potentially hazardous foods that are packed by the food facility in reduced-oxygen packaging or have been partially cooked and sealed in any container or configuration that creates anaerobic conditions shall be plainly date coded. The date coding shall state "Use By," followed by the appropriate month, day, and year.

(b) For purposes of this section, "partially cooked" means potentially hazardous foods that have not been sufficiently cooked to assure commercial sterility or fail to have barriers to prevent the growth of or toxin formation by *Clostridium botulinum*.

114057.1. (a) A food facility that packages food using a reduced-oxygen packaging method and *Clostridium botulinum* is identified as a microbiological hazard in the final prepackaged form shall ensure that there are at least two barriers in place to control the growth and toxin formation of *Clostridium botulinum*.

(b) A food facility that packages food using a reduced-oxygen packaging method and *Clostridium botulinum* is identified as a microbiological hazard in the final prepackaged form shall have an approved HACCP plan that does all of the following:

- (1) Contains the information specified under Section 114419.1.
- (2) Identifies the food to be prepackaged.
- (3) Limits the food prepackaged to a food that does not support the growth of *Clostridium botulinum* because it complies with one of the following:

(A) Has an  $a_w$  of 0.91 or less.

(B) Has a pH of 4.6 or less.

(C) Is a meat or poultry product cured at a food processing plant regulated by the U.S.D.A. and is received in an intact package.

(D) Is a food with a high level of competing organisms, such as raw meat or raw poultry.

(4) Specifies methods for maintaining food at 41°F or below.

(5) Describes how the packages shall be prominently and conspicuously labeled on the principal display panel in bold type on a contrasting background, with instructions to maintain the food at 41°F or below and discard the food if within 14 calendar days of its packaging it is not served for on-premises consumption, or consumed if served or sold for off-premises consumption.

(6) Limits the refrigerated shelf life to no more than 14 calendar days from packaging to consumption, except the time product is maintained frozen, or the original manufacturer's "sell by" or "use by" date, whichever occurs first.

(7) Includes operational procedures that prohibit contacting food with bare hands, identify a designated area and the method by which physical barriers or methods of separation of raw foods and ready-to-eat foods minimize cross-contamination and access to the processing equipment is restricted to responsible trained personnel familiar with the potential hazards of the operation, and delineate cleaning and sanitization procedures for food-contact surfaces.

(8) Describes the training program that ensures that individuals responsible for the reduced-oxygen packaging operation understand the concepts required for a safe operation, the equipment and facilities, and the procedures specified under paragraph (7) and Section 114419.1.

(c) Except for fish that is frozen before, during, and after packaging, a food facility shall not package fish using a reduced-oxygen packaging method.

#### Article 7. Food Display and Service

114060. (a) Except for nuts in the shell and whole raw fruits and vegetables that are intended for hulling, peeling, or washing by the consumer before consumption, food on display shall be protected from contamination by the use of packaging, counter, service line, or sneeze guards that intercept a direct line between the customer's mouth and the food being displayed, containers with tight-fitting securely attached lids, display cases, mechanical dispensers, or other effective means.

(b) Nonprepackaged food may be displayed and sold in bulk in other than self-service containers if both of the following conditions are satisfied:

(1) The food is served by a food employee directly to a consumer.

(2) The food is displayed in clean, sanitary, and covered, or otherwise protected, containers.

114063. (a) Raw, nonprepackaged food of animal origin, such as beef, lamb, pork, poultry, and eviscerated fish, shall not be offered for consumer self-service. This subdivision does not apply to the following:

(1) Consumer self-service of ready-to-eat foods at buffets or salad bars that serve foods such as sushi or raw shellfish.

(2) Ready-to-cook individual portions for immediate cooking and consumption on the premises, such as consumer-cooked meats or consumer-selected ingredients for Mongolian barbecue, or raw, frozen shrimp, lobster, finfish, or scallop abductor muscle, or frozen breaded seafood.

(b) Nonprepackaged food may be displayed in bulk for consumer self-service if all of the following conditions are satisfied:

(1) Produce and food requiring further processing, except raw food of animal origin, may be displayed on open counters or in containers.

(2) Except for salad bar and buffet-type food service, a label shall be conspicuously displayed in plain view of the consumer and securely attached to each self-service container, or in clear relationship to it, and shall contain the information required in Section 114089.

(3) Nonfood items shall be displayed and stored in an area separate from food.

(c) French style, hearth-baked, or hard-crustured loaves and rolls shall be considered properly wrapped if contained in an open-end bag of sufficient size to enclose the loaves or rolls.

(d) Consumer self-service operations for ready-to-eat foods such as buffets and salad bars shall be provided with a suitable food dispensing utensil for each container displayed or effective dispensing methods that protect the food from contamination.

(e) Consumer self-service operations such as buffets and salad bars shall be checked periodically on a regular basis by food employees trained in safe operating procedures.

114065. Notwithstanding Section 114266, this section shall not be construed to require the enclosure, during operating hours, of consumer self-service nonpotentially hazardous bulk beverage dispensing operations that meet the following requirements:

(a) The dispensing operation is installed contiguous with a permanent food facility and is operated by the food facility.

(b) The beverages are dispensed from enclosed equipment that precludes exposure of the beverages until they are dispensed at the nozzles. The dispensing equipment actuating lever or mechanism and filling device of consumer self-service beverage dispensing equipment shall be designed to prevent contact with the lip-contact surface of glasses or cups that are refilled.

(c) Ice and ice product are dispensed only from an ice product dispenser. Ice and ice product are not scooped or manually loaded into a dispenser out-of-doors.

(d) Single-use utensils are protected from contamination and are individually wrapped or dispensed from approved sanitary dispensers.

(e) The dispensing operations have overhead protection that fully extends over all equipment associated with the facility.

(f) During nonoperating hours the dispensing operations are fully enclosed so as to be protected from contamination by vermin and exposure to the elements.

(g) The permitholder of the permanent food facility demonstrates to the enforcement agency that adequate methods are in place to properly clean and sanitize the beverage dispensing equipment.

(h) Beverage dispensing operations are in compliance with Section 113980 and have been approved by the enforcement agency.

(i) Beverage dispensing operations are under the constant and complete control of the person in charge of the permanent food facility who is operating the dispensing equipment.

114067. (a) Satellite food service is restricted to limited food preparation.

(b) Satellite food service shall only be operated by a fully enclosed permanent food facility that meets the requirements for food preparation and service and that is responsible for servicing the satellite food service operation.

(c) Prior to conducting satellite food service, the permitholder of the permanent food facility shall submit to the enforcement agency written standard operating procedures that include all of the following information:

(1) All food products that will be handled and dispensed.

(2) The proposed procedures and methods of food preparation and handling.

(3) Procedures, methods, and schedules for cleaning utensils, equipment, structures, and for the disposal of refuse.

(4) How food will be transported to and from the permanent food facility and the satellite food service operation, and procedures to prevent contamination of foods.

(5) How potentially hazardous foods will be maintained in accordance with Section 113996.

(d) All food preparation shall be conducted within a food compartment or fully enclosed facility approved by the enforcement officer.

(e) Satellite food service areas shall have overhead protection that extends over all food handling areas.

(f) Satellite food service operations that handle nonprepackaged food shall be equipped with approved, permanently plumbed handwashing facilities and warewashing facilities.

(g) Notwithstanding subdivision (f), the local enforcement agency may approve the use of alternative warewashing facilities.

(h) Food and utensils shall be stored inside the fully enclosed permanent food facility when satellite food service is not being conducted.

(i) Satellite food service activities shall be conducted by and under the constant and complete control of the permitholder of the fully enclosed permanent food facility.

(j) During nonoperating hours and periods of inclement weather, satellite food service operations shall be completely enclosed to exclude vermin, or stored inside the fully enclosed permanent food facility.

114069. Only prepackaged nonpotentially hazardous food or uncut produce may be displayed or sold outdoors by a food facility if all of the following conditions are satisfied:

(a) Outdoor displays have overhead protection that extends over all food items.

(b) Food items from the outdoor display are stored inside the fully enclosed food facility at all times other than during business hours.

(c) Outdoor displays comply with Section 113980 and have been approved by the enforcement agency.

(d) Outdoor displays are under the control of the permit holder of the fully enclosed food facility and are checked periodically on a regular basis.

114073. Bulk milk container dispensing tubes shall be cut on the diagonal leaving no more than one inch protruding from the chilled dispensing head.

114074. (a) If tableware is preset, it shall be protected from contamination by being wrapped, covered, or inverted.

(b) Exposed, unused settings shall be removed when a consumer is seated.

(c) Exposed, unused settings shall be cleaned and sanitized before further use if the settings are not removed when a consumer is seated.

114075. (a) Except for refilling a consumer's drinking cup or container without contact between the pouring utensil and the lip-contact area of the drinking cup or container, food employees shall not use tableware, including single-use articles, soiled by the consumer, to provide second portions or refills.

(b) Except as specified in subdivision (d), self-service consumers shall not be allowed to use soiled tableware, including single-use articles, to obtain additional food from the display and serving equipment.

(c) Consumers shall be notified that clean tableware is to be used when they return to self-service areas such as salad bars and buffets.

(d) Drinking cups and containers may be reused by self-service consumers if refilling of a consumer's drinking cup is done without contact between the pouring utensil and the lip contact area of the cup or container.

(e) Personal take-out beverage containers, such as thermally insulated bottles, nonspill coffee cups, and promotional beverage glasses, may be refilled by employees or the consumer if refilling is a contamination-free process as specified in subdivision (a).

114077. Condiments shall be protected from contamination by being kept in dispensers that are designed to provide protection, protected food displays provided with the proper utensils, original containers designed for dispensing, or individual packages or portions.

114079. (a) Except as specified in subdivision (b), after being served or sold and in the possession of a consumer, food that is unused or returned by the consumer shall not be offered as food for human consumption.

(b) A container of food that is not potentially hazardous may be transferred from one consumer to another if the food is dispensed so that it is protected from contamination and the container is closed between uses, such as a narrow-neck bottle containing catsup, steak sauce, or wine, or if the food, such as crackers, salt, or pepper, is in an unopened original package and is maintained in sound condition, and if the food is checked periodically on a regular basis.

114081. (a) Single-use articles and cleaned and sanitized multiservice utensils shall be handled, displayed, and dispensed so that contamination of food and lip-contact surfaces is prevented.

(b) Knives, forks, and spoons that are not prewrapped shall be presented so that only the handles are touched by employees, and by consumers if consumer self-service is provided.

(c) Except as specified under subdivision (b), single-use articles that are intended for food or lip-contact shall be furnished for consumer self-service with the original individual wrapper intact or from an approved dispenser.

(d) Single-use articles shall not be reused.

114083. Soiled tableware shall be removed from consumer eating and drinking areas and handled so that clean tableware, food, and food-contact surfaces are not contaminated.

#### Article 8. Consumer Information

114087. (a) Food offered for human consumption shall be honestly presented in a way that does not mislead or misinform the consumer.

(b) Food or color additives, colored overwraps, lights or other misleading artificial means shall not be used to misrepresent the true appearance, color, or quality of a food.

114089. (a) Food prepackaged in a food facility shall bear a label that complies with the labeling requirements prescribed by the Sherman Food, Drug, and Cosmetic Law (Part 5 (commencing with Section 109875)), 21 C.F.R. 101-Food Labeling, 9 C.F.R. 317-Labeling, Marking Devices, and Containers, and 9 C.F.R. 381-Subpart N Labeling and Containers, and as specified under Sections 114039 and 114039.1.

(b) Label information shall include the following:

(1) The common name of the food, or absent a common name, an adequately descriptive identity statement.

(2) If made from two or more ingredients, a list of ingredients in descending order of predominance by weight, including a declaration of artificial color or flavor and chemical preservatives, if contained in the food.

(3) An accurate declaration of the quantity of contents.

(4) The name and place of business of the manufacturer, packer, or distributor.

(5) Except as exempted in the Federal Food, Drug, and Cosmetic Act Section 403(Q)(3)–(5) (21 U.S.C. Sec. 343(q)(3)–(5), incl.), nutrition labeling as specified in 21 C.F.R. 101-Food Labeling and 9 C.F.R. 317 Subpart B Nutrition Labeling.

(c) Bulk food that is available for consumer self-service shall be prominently labeled with the following information in plain view of the consumer:

(1) The manufacturer's or processor's label that was provided with the food.

(2) A card, sign, or other method of notification that includes the information specified under paragraphs (1), (2), and (5) of subdivision (b).

114089.1. (a) Except as specified in subdivision (c) of Section 114089, every bakery product shall have a protective wrapping that shall bear a label that complies with the labeling requirements prescribed by the Sherman Food, Drug, and Cosmetic Law (Part 5 (commencing with Section 109875)).

(b) Bakery products sold directly to a restaurant, catering service, retail bakery, or sold over the counter directly to the consumer by the manufacturer or bakery distributor shall be exempt from the labeling provisions of this section.

(c) French style, hearth-baked, or hard-crustured loaves and rolls shall be considered properly wrapped if contained in an open-end bag that encloses the loaves or rolls.

114090. (a) If required by law, consumer warnings shall be provided.

(b) Food facility's or manufacturer's dating information on foods may not be concealed or altered.

114091. In a licensed health care facility and a public or private school cafeteria, the following shall apply:

(a) Only pasteurized juice may be served.

(b) Only pasteurized fluid and dry milk and milk products complying with Grade A standards as specified in LAW shall be served.

(c) Pasteurized shell eggs or pasteurized liquid, frozen, or dry eggs or egg products shall be substituted for raw shell eggs in the preparation of foods such as Caesar salad, hollandaise or béarnaise sauce, mayonnaise, eggnog, ice cream, and egg-fortified beverages, and, except

as specified in subdivision (e), recipes in which more than one egg is broken and the eggs are combined.

(d) Food in an unopened original package shall not be re-served.

(e) The following foods may not be served or offered for sale in a ready-to-eat form:

(1) Raw foods of animal origin such as raw fish, raw-marinated fish, raw molluscan shellfish, and steak tartare.

(2) A partially cooked food of animal origin, such as lightly cooked fish, rare meat, soft-cooked eggs, that is made from raw shell eggs, and meringue.

(3) Raw seed sprouts.

(f) Subdivision (c) does not apply in any of the following instances:

(1) The raw eggs are combined immediately before cooking for one consumer's serving at a single meal, cooked as specified under Section 114004, and served immediately, such as an omelet, soufflé, or scrambled eggs.

(2) The raw eggs are combined as an ingredient immediately before baking and the eggs are thoroughly cooked to a ready-to-eat form, such as a cake, muffin, or bread.

(3) The preparation of the food is conducted under a HACCP plan that:

(A) Identifies the food to be prepared.

(B) Prohibits contacting ready-to-eat food with bare hands.

(C) Includes specifications and practices that ensure salmonella enteritidis growth is controlled before and after cooking and is destroyed by cooking the eggs to an internal temperature of 145°F.

(D) Contains the information specified under a HACCP plan, including procedures that control cross-contamination of ready-to-eat food with raw eggs, and delineate cleaning and sanitization procedures for food-contact surfaces.

(E) Describes the training program that ensures that the food employee responsible for the preparation of the food understands the procedures to be used.

114093. Notwithstanding Section 114004, a ready-to-eat salad dressing or sauce containing a raw or less-than-thoroughly cooked egg as an ingredient, and other ready-to-eat foods made from or containing eggs, comminuted meat, or single pieces of meat, including beef, veal, lamb, pork, poultry, fish, and seafood, that are raw or have not been thoroughly cooked as specified in Section 114004 may be served if either of the following requirements is met:

(a) The consumer specifically orders that the food be individually prepared less than thoroughly cooked.



(b) The food facility notifies the consumer, orally or in writing, at the time of ordering, that the food is raw or less than thoroughly cooked.

114093.1. (a) Any food facility that serves or sells over the counter directly to the consumer an unlabeled or nonprepackaged food that is a confectionery that contains alcohol in excess of one-half of 1 percent by weight shall provide written notice to the consumer of that fact.

(b) The notice shall be prominently displayed or be provided in some other manner, as determined by the department.

(c) The department shall adopt regulations to govern the notice required by this section in order to effectuate the purposes of this section.

#### CHAPTER 5. CLEANING AND SANITIZING OF EQUIPMENT AND UTENSILS

114095. All food facilities in which food is prepared or in which multiservice utensils and equipment are used shall provide manual methods to effectively clean and sanitize utensils as specified in Section 114099.

114097. Equipment food-contact surfaces and multiservice utensils shall be effectively washed to remove or completely loosen soils by the use of manual or mechanical methods necessary, such as the application of detergents containing wetting agents and emulsifiers, acid, alkaline, or abrasive cleaners, hot water, brushes, scouring pads, high pressure sprays, or ultrasonic devices.

114099. (a) Manual warewashing sinks, except as specified in subdivision (c), shall have at least three compartments with two integral metal drainboards for manually washing, rinsing, and sanitizing equipment and utensils.

(b) Sink compartments shall be large enough to accommodate immersion of the largest equipment and utensils. If equipment or utensils are not designed to be washed in a warewashing sink, alternate approved methods as specified in Section 114099.3 shall be followed.

(c) A two compartment sink that is in use on January 1, 1996, need not be replaced when used as specified in Section 114099.3. The enforcement officer shall approve the continued use of a two-compartment sink even upon replacement if the installation of a three-compartment sink would not be readily achievable and where other approved sanitation methods are used.

114099.1. (a) During manual or mechanical warewashing, food debris on equipment and utensils shall be scraped over a waste disposal unit, scupper, or garbage receptacle.

(b) If necessary for effective cleaning, utensils and equipment shall be preflushed, presoaked, or scrubbed with abrasives.

114099.2. (a) Notwithstanding Section 114099, manual warewashing shall be accomplished by using a three-compartment sink where the utensils are first precleaned, then washed, rinsed, sanitized, and air dried.

(b) The temperature of the washing solution shall be maintained at not less than 110°F or the temperature specified on the cleaning agent manufacturer's label instructions.

(c) The utensils shall then be rinsed in clear water before being immersed in a sanitizing solution.

(d) Manual sanitization shall be accomplished as specified in Section 114099.6.

(e) In-place sanitizing shall be accomplished as specified in Section 114099.6.

(f) Other methods may be used if approved by the enforcement agency.

114099.3. Alternative manual warewashing equipment may be used when there are special cleaning needs or constraints, such as when equipment is fixed or the utensils are large, and the enforcement agency has approved the use of the alternative equipment. Alternative manual warewashing equipment may include any of the following:

(a) High-pressure detergent sprayers.

(b) Low-or-line pressure spray detergent foamers.

(c) Other task-specific cleaning equipment.

(d) Brushes or other implements.

(e) (1) A two-compartment sink, if the permit holder limits the number of utensils cleaned and sanitized in the two-compartment sink, and limits warewashing to batch operations for cleaning and sanitizing utensils, such as between cutting one type of raw meat and another or cleanup at the end of a shift, and shall do all of the following:

(A) Make up the cleaning and sanitizing solutions immediately before use and drain them immediately after use.

(B) Use a detergent sanitizer to clean and sanitize in accordance with the manufacturer's label instructions where there is no distinct water rinse between the washing and sanitizing steps. The agent applied in the sanitizing step shall be the same detergent sanitizer that is used in the washing step.

(C) Use a hot water sanitization immersion step that incorporates a nondistinct water rinse.

(2) A two-compartment sink shall not be used for warewashing operations where cleaning and sanitizing solutions are used for a continuous or intermittent flow of utensils in an ongoing warewashing process.

114099.4. If hot water is used for sanitization in manual warewashing operations, the sanitizing compartment of the sink shall be designed with an integral heating device that is capable of maintaining water at a

temperature not less than 171°F and provided with a rack or basket to allow complete immersion of equipment and utensils into the hot water.

114099.5. In manual warewashing operations, a temperature measuring device shall be provided and readily accessible for frequently measuring the washing and sanitizing temperatures.

114099.6. Manual or mechanical sanitization shall be accomplished in the final sanitizing rinse by one of the following:

(a) Hot water manual operations by immersion for at least 30 seconds where the water temperature is maintained at 171°F or above.

(b) Hot water mechanical operations by being cycled through equipment that is used in accordance with the manufacturer's specifications and achieving a utensil surface temperature of 160°F as measured by an irreversible registering temperature indicator.

(c) Chemical manual or mechanical operations, including the applications of sanitizing chemicals by immersion, manual swabbing, brushing, or pressure spraying methods, using one of the following solutions:

(1) Contact with a solution of 100 ppm available chlorine solution for at least 30 seconds.

(2) Contact with a solution of 25 ppm available iodine for at least one minute.

(3) Contact with a solution of 200 ppm quaternary ammonium for at least one minute.

(4) Contact with any chemical sanitizer that meets the requirements of 21 C.F.R. 178.1010 when used in accordance with the manufacturer's use directions as specified on the product label.

(d) Other methods may be used if approved by the enforcement agency.

114101. (a) Mechanical machine warewashing shall be accomplished by using an approved machine installed and operated in accordance with the manufacturer's specifications.

(b) Soiled items to be cleaned in a warewashing machine shall be loaded in racks, trays, or baskets or onto conveyors in a position that exposes the items to the unobstructed spray during all cycles and allows the items to drain.

(c) The velocity, quantity, and distribution of the washwater, type, and concentration of detergent used therein, and the time the utensils are exposed to the water shall be sufficient to clean the utensils.

(d) Restricted food service facilities need not comply with Section 114130 if the domestic or commercial dishwasher utilized for warewashing is capable of providing heat to the surface of the utensils of a temperature of at least 160°F.

114101.1. A warewashing machine shall be provided with an easily accessible and readable data plate affixed to the machine by the manufacturer that indicates the machine's design and operating specifications including the temperatures required for washing, rinsing, and sanitizing, the pressure required for the fresh water sanitizing rinse, unless the machine is designed to use only a pumped sanitizing rinse, and the conveyor speed for conveyor machines or cycle time for stationary rack machines.

114101.2. A warewashing machine shall be equipped with a temperature measuring device that indicates the temperature of the water as the water enters the hot water sanitizing final rinse manifold or in the chemical sanitizing solution tank.

114103. (a) Except as provided in subdivisions (b) and (c), all warewashing equipment shall be provided with two integral metal drainboards of adequate size and construction. One drainboard shall be attached at the point of entry for soiled equipment and utensils and one shall be attached at the point of exit for cleaned and sanitized equipment and utensils.

(b) Where an undercounter warewashing machine is used, there shall be two metal drainboards, one for soiled equipment and utensils, and one for clean equipment and utensils, located adjacent to the machine. This requirement may be satisfied by using the drainboards that are part of the manual warewashing sinks if the facilities are located adjacent to the machine.

(c) Pot and pan washers shall be equipped with drainboards as required in subdivision (a), or shall be equipped with approved alternative equipment that provides adequate and suitable space for soiled and clean equipment and utensils.

(d) Drainboards, utensil racks, or tables large enough to accommodate all soiled and cleaned items that may accumulate during hours of operation shall be provided for necessary utensil holding before cleaning and after sanitizing.

(e) Sinks and drainboards of warewashing equipment shall be sloped and drained to an approved liquid waste receptor.

114105. After cleaning and sanitizing, equipment and utensils shall be air dried or used after adequate draining before contact with food and shall not be cloth dried, except that utensils that have been air dried may be polished with cloths that are maintained clean and dry.

114107. (a) Testing equipment and materials shall be provided to adequately measure the applicable sanitization method used during manual or mechanical warewashing.

(b) The concentration of the sanitizing solution shall be accurately determined to ensure proper dosage.

114109. (a) Drying agents used in conjunction with sanitization shall contain only components that are listed as one of the following:

(1) Generally Recognized as Safe for use in food as specified in 21 C.F.R. 182 – Substances Generally Recognized as Safe, or 21 C.F.R. 184 – Direct Food Substances Affirmed as Generally Recognized as Safe.

(2) Generally Recognized as Safe for the intended use as specified in 21 C.F.R. 186 – Indirect Food Substances Affirmed as Generally Recognized as Safe.

(3) Approved for use as a drying agent under a prior sanction specified in 21 C.F.R. 181 – Prior-Sanctioned Food Ingredients.

(4) Specifically regulated as an indirect food additive for use as a drying agent as specified in 21 C.F.R. 175–178, inclusive.

(5) Approved for use as a drying agent under the threshold of regulation process established by 21 C.F.R. 170.39.

(b) When sanitization is with chemicals, the approval required under paragraph (3) or (5) of subdivision (a) or the regulation as an indirect food additive required under paragraph (4) of subdivision (a), shall be specifically for use with chemical sanitizing solutions.

114111. (a) If used, dry cleaning methods such as brushing, scraping, and vacuuming shall contact only surfaces that are soiled with dry nonpotentially hazardous food residues.

(b) Cleaning equipment used in dry cleaning food-contact surfaces shall not be used for any other purpose.

114113. Food shall only contact surfaces of equipment and utensils that are cleaned and sanitized.

114115. (a) Equipment food-contact surfaces and utensils shall be clean to sight and touch.

(b) The food-contact surfaces of cooking equipment and pans shall be kept free of encrusted grease deposits and other soil accumulations.

(c) Nonfood-contact surfaces of equipment shall be kept free of an accumulation of dust, dirt, food residue, and other debris.

(d) Equipment shall be reassembled so that food-contact surfaces are not contaminated.

114117. (a) Equipment food-contact surfaces and utensils shall be cleaned at the following times:

(1) Except as specified in subdivision (b), before each use with a different type of raw food of animal origin such as beef, fish, lamb, pork, or poultry.

(2) Each time there is a change from working with raw foods to working with ready-to-eat foods.

(3) Between uses with raw produce and with potentially hazardous food.

- (4) Before using or storing a food temperature measuring device.
- (5) At any time during the operation when contamination may have occurred.

(b) Paragraph (1) of subdivision (a) does not apply if the food contact surface or utensil is in contact with a succession of different raw foods of animal origin, each requiring a higher cooking temperature as specified in Section 114004 than the previous food, such as preparing raw fish followed by cutting raw poultry on the same cutting board.

(c) Except as specified in subdivision (d), if used with potentially hazardous food, equipment food-contact surfaces and utensils shall be cleaned throughout the day at least every four hours.

(d) Surfaces of utensils and equipment contacting potentially hazardous food may be cleaned less frequently than every four hours if any of the following occurs:

(1) In storage, containers of potentially hazardous food and their contents are maintained at temperatures as specified in Section 113996 and the containers are cleaned when they are empty.

(2) Utensils and equipment are used to prepare food in a refrigerated room or area that is maintained at or below 55°F. In that case, the utensils and equipment shall be cleaned at the frequency that corresponds to the temperature as depicted in the following chart and the cleaning frequency based on the ambient temperature of the refrigerated room or area shall be documented and records shall be maintained in the food facility and made available to the enforcement agency upon request:

<b>Temperature</b>	<b>Cleaning Frequency</b>
5.0°C (41°F) or less	24 hours
>5.0°C – 7.2°C (>41°F–45°F)	20 hours
>7.2°C –10.0°C (>45°F–50°F)	16 hours
>10.0°C – 12.8°C (>50°F–55°F)	10 hours

(3) Containers in serving situations such as salad bars, delis, and cafeteria lines hold ready-to-eat potentially hazardous food that is maintained at the temperatures specified in Section 113996 are intermittently combined with additional supplies of the same food that is at the required temperature, and the containers are cleaned at least every 24 hours.

(4) Temperature measuring devices are maintained in contact with food, such as when left in a container of deli food or in a roast, held at temperatures specified in Sections 113996 and 114004.

(5) Equipment is used for storage of packaged or unpackaged food, such as a reach-in refrigerator, and the equipment is cleaned at a frequency necessary to preclude accumulation of soil residues.

(6) The cleaning schedule is approved based on consideration of characteristics of the equipment and its use, the type of food involved, the amount of food residue accumulation, and the temperature at which the food is maintained during the operation and the potential for the rapid and progressive multiplication of pathogenic or toxigenic micro-organisms that are capable of causing foodborne disease.

(7) In-use utensils are intermittently stored in a container of water in which the water is maintained at 135°F or higher and the utensils and container are cleaned at least every 24 hours or at a frequency necessary to preclude accumulation of soil residues.

(e) Except when dry cleaning methods are used as specified in Section 114111, surfaces of utensils and equipment contacting food that is not potentially hazardous shall be cleaned in any of the following circumstances:

(1) At any time when contamination may have occurred.

(2) At least every 24 hours for iced tea dispensers and consumer self-service utensils such as tongs, scoops, or ladles.

(3) Before restocking consumer self-service equipment and utensils such as condiment dispensers and display containers.

(4) In equipment such as ice bins and beverage dispensing nozzles and enclosed components of equipment such as ice makers, cooking oil storage tanks and distribution lines, beverage and syrup dispensing lines or tubes, coffee bean grinders, and water vending equipment, at a frequency specified by the manufacturer, or, absent manufacturer specifications, at a frequency necessary to preclude accumulation of soil or mold.

114119. During pauses in food preparation or dispensing, food preparation and dispensing utensils shall be stored in the following manner:

(a) Except as specified under subdivision (b), in the food with their handles above the top of the food and the container.

(b) In food that is not potentially hazardous, with their handles above the top of the food within containers or equipment that can be closed, such as bins of sugar, flour, or cinnamon.

(c) On a clean portion of the food preparation table or cooking equipment only if the in-use utensil and the food-contact surface of the food preparation table or cooking equipment are cleaned and sanitized at a frequency specified under Section 114117.

(d) In running water of sufficient velocity to flush particulates to the drain, if used with moist food such as ice cream or mashed potatoes.

(e) In a clean, protected location if the utensils, such as ice scoops, are used only with a food that is not potentially hazardous.

(f) In a container of water if the water is maintained at a temperature of at least 135°F and the container is cleaned at least every 24 hours or at a frequency necessary to preclude the accumulation of soil residues.

114121. (a) Except as specified in subdivisions (b) and (c), returned empty containers intended for refilling with food or beverage shall be cleaned and refilled in an approved facility.

(b) Consumer-owned containers returned to the food facility for refilling may be refilled and returned to the same consumer if the container is refilled by an employee of the food facility or the owner of the container if the dispensing system includes a contamination free transfer process that cannot be bypassed by the container owner.

(c) Consumer-owned containers that are not food specific may be filled at a water vending machine or system.

114123. Except as specified in Section 114125, food preparation sinks, handwashing lavatories, and warewashing equipment shall not be used for the cleaning of maintenance tools, the preparation or holding of maintenance materials, or the disposal of mop water and similar liquid wastes.

114125. (a) A warewashing sink shall not be used for handwashing except in food facilities that were not constructed or extensively remodeled since January 1, 1996, and where there are no facilities exclusively for handwashing in food preparation areas.

(b) If a warewashing sink is used to wash wiping cloths, wash produce, or thaw food, the sink shall be cleaned and sanitized before and after each time it is used to wash wiping cloths or wash produce or thaw food.

## CHAPTER 6. EQUIPMENT, UTENSILS, AND LINENS

### Article 1. Design and Construction

114130. (a) Equipment and utensils shall be designed and constructed to be durable and to retain their characteristic qualities under normal use conditions.

(b) Except as specified in subdivision (c), all new and replacement food-related and utensil-related equipment shall be certified or classified for sanitation by an American National Standards Institute (ANSI) accredited certification program. In the absence of an applicable ANSI certified sanitation standard, food-related and utensil-related equipment shall be evaluated for approval by the enforcement agency.

(c) Restricted food service facilities need not comply with subdivision (b), depending on the extent of the food service activities, and if the



enforcement officer determines that the equipment meets the characteristics of subdivision (a).

(d) All new and replacement electrical appliances shall meet applicable Underwriters Laboratories standards for electrical equipment as determined by an ANSI accredited certification program.

114130.1. Materials that are used in the construction of utensils and food-contact surfaces of equipment shall not allow the migration of deleterious substances or impart colors, odors, or tastes to food and under normal use conditions shall be safe, durable, corrosion-resistant, and nonabsorbent, sufficient in weight and thickness to withstand repeated warewashing, finished to have a smooth, easily cleanable surface, and resistant to pitting, chipping, crazing, scratching, scoring, distortion, and decomposition.

114130.2. Materials that are used to make single-use articles shall not allow the migration of deleterious substances or impart colors, odors, or tastes to food, and shall be safe and clean.

114130.3. (a) Multiuse food-contact surfaces shall be all of the following:

- (1) Smooth.
- (2) Free of breaks, open seams, cracks, chips, inclusions, pits, and similar imperfections.
- (3) Free of sharp internal angles, corners, and crevices.
- (4) Finished to have smooth welds and joints.
- (5) Except as specified in subdivision (b), accessible for cleaning and inspection by one of the following methods:
  - (A) Without being disassembled.
  - (B) By disassembling without the use of tools.
  - (C) By easy disassembling with the use of handheld tools commonly available to maintenance and cleaning personnel such as screwdrivers, pliers, open-end wrenches, and Allen wrenches.

(b) Paragraph (5) of subdivision (a) shall not apply to cooking oil storage tanks, distribution lines for cooking oils, or beverage syrup lines or tubes.

114130.4. Nonfood-contact surfaces of equipment that are exposed to splash, spillage, or other food soiling or that require frequent cleaning shall be constructed of a corrosion-resistant, nonabsorbent, and smooth material that allows easy cleaning and to facilitate maintenance and free of unnecessary ledges, projections, and crevices to allow for easy cleaning and to facilitate maintenance.

114130.5. (a) Except for CIP equipment in operation before the effective date of this part, CIP equipment shall meet the characteristics of a food contact surface and shall be designed and constructed so that cleaning and sanitizing solutions circulate throughout a fixed system

and contact all interior food-contact surfaces and the system is self-draining or capable of being completely drained of cleaning and sanitizing solutions.

(b) CIP equipment that is not designed to be disassembled for cleaning shall be designed with inspection access points to ensure that all interior food-contact surfaces throughout the fixed system are being effectively cleaned.

114132. (a) Except as specified in this section, wood and wood wicker shall not be used as a food-contact surface.

(b) Hard maple or an equivalently hard, close-grained wood may be used for cutting boards, cutting blocks, bakers' tables, utensils such as rolling pins, doughnut dowels, salad bowls, and chopsticks, wooden paddles used in confectionery operations for pressure scraping kettles when manually preparing confections at a temperature of 230°F or above, and cedar planks used for grilling or baking seafood.

(c) Whole, uncut, raw fruits and vegetables and nuts in the shell may be kept in wood shipping containers until the fruits, vegetables, or nuts are used.

(d) When wood or wood shipping containers become cracked, splintered, or otherwise damaged, they shall be refurbished or replaced.

114133. (a) Except as specified in subdivision (b), copper and copper alloys such as brass may not be used in contact with a food that has a pH below six, such as vinegar, fruit juice, or wine, or for a fitting or tubing installed between a backflow prevention device and a carbonator.

(b) Copper and copper alloys may be used in contact with beer brewing ingredients that have a pH below six in the prefermentation and fermentation steps of a beer brewing operation, such as a brewpub or microbrewery.

114135. Sponges shall not be used in contact with cleaned and sanitized or in-use food-contact surfaces.

114137. Except for hot oil cooking or filtering equipment, "V" type threads shall not be used on food-contact surfaces.

114139. Cutting or piercing parts of can openers shall be readily removable for cleaning and for replacement.

114141. Lubricants shall be applied to food-contact surfaces that require lubrication in a manner that does not contaminate food or food-contact surfaces. Equipment shall be reassembled after lubrication so that food contact surfaces are not contaminated. Only approved food grade lubricants shall be used for this purpose.

114143. Notwithstanding any of the provisions of this part, neither the department nor any city, county, city and county air pollution control district, or air quality management district shall require the enclosure of an open-air barbecue or outdoor wood-burning oven if the enforcement

officer determines that the barbecue or wood-burning oven meets all of the following requirements:

(a) The open-air barbecue or outdoor wood-burning oven is operated on the same premises as, in reasonable proximity to, and in conjunction with, a permanent food facility that is approved for food preparation, or a temporary food facility or a mobile food facility that is operating at a community event. The permitholder of the permanent food facility, temporary food facility or mobile food facility shall be deemed to be the permitholder of the open-air barbecue or outdoor wood-burning oven, and shall be responsible for ensuring that it is operated in full compliance with this part.

(b) The open-air barbecue or outdoor wood-burning oven is not operated in, or out of, any motor vehicle, or in any area or location that may constitute a fire hazard, as determined by the enforcement officer.

(c) The open-air barbecue or outdoor wood-burning oven is separated from public access to prevent food contamination or injury to the public by using ropes or other approved methods.

(d) If the open-air barbecue or outdoor wood-burning oven is a permanent structure, it shall be equipped with an impervious and easily cleanable floor surface that extends a minimum of five feet from the open-air barbecue or outdoor wood-burning oven facility on all open sides.

(e) Sanitary facilities, including, but not limited to, toilet facilities and handwashing facilities shall be available for use within 200 feet in travel distance of the open-air barbecue or outdoor wood-burning oven and shall comply with all provisions of this part.

114145. Vending machines shall meet all applicable requirements of this part and shall comply with the following:

(a) Each vending machine or machine location shall have posted in a prominent place a sign indicating the owner's name, address, and telephone number.

(b) Wet storage of prepackaged products is prohibited.

(c) Potentially hazardous food shall be dispensed to the consumer in the original package into which it was placed at the commissary or food processing plant. Bulk potentially hazardous food is prohibited.

(d) Single-use articles that are used in machines dispensing products in bulk shall be obtained in sanitary packages. The single-use articles shall be stored in the original package until introduced into the container magazine or dispenser of the vending machine.

(e) A record of cleaning and sanitizing shall be maintained by the operator in each machine and shall be current for at least the past 30 days.

(f) All vending machines shall be constructed in accordance with applicable NSF International or National Automatic Merchandizing Association standards, or the equivalent thereof.

(g) If located outside, a vending machine shall be provided with overhead protection.

(h) The dispensing compartment of a vending machine shall be equipped with a self-closing door or cover if the machine is located in an outside area that does not otherwise afford the protection of an enclosure against the rain, windblown debris, insects, rodents, and other contaminants that are present in the environment, or if the machine is available for self-service during hours when it is not under the full-time supervision of an employee.

## Article 2. Ventilation

114149. (a) All areas of a food facility shall have sufficient ventilation to facilitate proper food storage and to provide a reasonable condition of comfort for each employee, consistent with the job performed by the employee.

(b) Toilet rooms shall be vented to the outside air by means of an openable, screened window, an air shaft, or a light-switch-activated exhaust fan, consistent with the requirements of local building codes.

114149.1. (a) Mechanical exhaust ventilation equipment shall be provided over all cooking equipment as required to effectively remove cooking odors, smoke, steam, grease, heat, and vapors. All mechanical exhaust ventilation equipment shall be installed and maintained in accordance with the Uniform Mechanical Code, except that for units subject to Part 2 (commencing with Section 18000) of Division 13, an alternative code adopted pursuant to Section 18028 shall govern the construction standards.

(b) Restricted food service facilities shall be exempt from subdivision (a), but shall still provide ventilation to remove gases, odors, steam, heat, grease, vapors and smoke from the food facility. In the event that the enforcement officer determines that the ventilation must be mechanical in nature, the ventilation shall be accomplished by methods approved by the enforcement agency.

(c) This section shall not apply to cooking equipment when the equipment has been submitted to the local enforcement agency for evaluation, and the local enforcement agency has found that the equipment does not produce toxic gases, smoke, grease, vapors, or heat when operated under conditions recommended by the manufacturer. The local enforcement agency may recognize a testing organization to perform any necessary evaluations.

(d) Makeup air shall be provided at the rate of that exhausted.

114149.2. (a) Every hood shall be installed to provide for thorough cleaning of all interior and exterior surfaces, including, but not limited to, the hood, filters, piping, lights, troughs, hangers, flanges, and exhaust ducts.

(b) Exhaust ventilation hood systems in food preparation and warewashing areas, including components such as hoods, fans, guards, and ducting, shall be designed to prevent grease or condensation from draining or dripping onto food, equipment, utensils, linens, and single-use articles.

(c) Filters or other grease extracting equipment shall be designed to be readily removable for cleaning and replacement if not designed to be cleaned in place.

(d) Every joint and seam shall be substantially tight. No solder shall be used, except for sealing a joint or seam.

(e) When grease gutters are provided they shall drain to a collecting receptacle fabricated, designed, and installed to be readily accessible for cleaning.

(f) Exhaust hood ducting shall meet the following requirements:

(1) All seams in the duct shall be completely tight to prevent the accumulation of grease.

(2) The ducts shall have sufficient clean-outs to make the ducts readily accessible for cleaning.

(3) All ducts in the exhaust system shall be properly sloped.

(4) Intake and exhaust air ducts shall be cleaned and filters changed so they are not a source of contamination by dust, dirt, and other materials.

114149.3. Heating, ventilating, and air conditioning systems shall be designed and installed so that make-up air intake and exhaust vents do not cause contamination of food, food-contact surfaces, equipment, or utensils and do not create air currents that cause difficulty in maintaining the required temperatures of potentially hazardous foods.

### Article 3. Location and Installation

114153. Equipment for cooling and heating food and for holding cold and hot food shall be sufficient in number and capacity to ensure proper food temperature control during transportation and operation as specified in Section 113996.

114155. (a) Except as specified in subdivision (b), molluscan shellfish life support system display tanks shall not be used to display shellfish that are offered for human consumption and shall be

conspicuously marked so that it is obvious to the consumer that the shellfish are for display only.

(b) Molluscan shellfish life-support system display tanks that are used to store and display shellfish that are offered for human consumption shall be operated and maintained in accordance with a HACCP plan that is submitted by the permit holder and approved by the enforcement agency, and ensures all of the following:

(1) Water used with fish other than molluscan shellfish does not flow into the molluscan tank.

(2) The safety and quality of the shellfish as they were received are not compromised by the use of the tank.

(3) The identity of the source of the shellstock is retained as required in Section 114039.1.

114157. (a) A thermometer shall be provided for each refrigeration unit.

(b) The thermometer 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.

(c) Except as specified in subdivision (d), cold or hot holding equipment used for potentially hazardous food shall be designed to include and shall be equipped with at least one integral or permanently affixed temperature measuring device that is located to allow easy viewing of the device's temperature display. Alternative hot or cold holding equipment can be equipped with approved product mimicking sensors placed in devices located in the warmest part of the mechanically refrigerated unit in lieu of an ambient air sensor.

(d) Subdivision (c) shall not apply to equipment for which the placement of a temperature measuring device is not a practical means for measuring the ambient air surrounding the food because of the design, type, and use of the equipment, such as calrod units, heat lamps, cold plates, bainmaries, steam tables, insulated food transport containers, and salad bars.

(e) Temperature measuring devices shall be easily readable and have a numerical scale, printed record, or digital readout in increments no greater than 2°F or over the intended range of use.

114159. (a) 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 of each food facility holding potentially hazardous food.

(b) A food temperature measuring device with a suitable small-diameter probe that is designed to measure the temperature of thin masses shall be provided and readily accessible to accurately measure the temperature in thin foods such as meat patties and fish fillets.

(c) Food temperature measuring devices that are scaled only in Fahrenheit shall be accurate to  $\pm 2^{\circ}\text{F}$  in the intended range of use.

(d) Food temperature measuring devices shall not have sensors or stems constructed of glass, except that thermometers with glass sensors or stems that are encased in a shatterproof coating, such as candy thermometers, may be used.

114161. (a) Except as specified in subdivision (b), equipment, a cabinet used for the storage of food, or a cabinet that is used to store cleaned and sanitized equipment, utensils, laundered linens, and single-use articles shall not be in any of the following locations:

- (1) In locker rooms.
- (2) In toilet rooms.
- (3) In refuse rooms.
- (4) In mechanical rooms.
- (5) Under sewer lines that are not shielded to intercept potential drips.
- (6) Under leaking water lines, including leaking automatic fire sprinkler heads, or under lines on which water has condensed.
- (7) Under open stairwells.
- (8) Under other sources of contamination.

(b) If a mechanical clothes washer or dryer is provided, it shall be located so that the washer or dryer is protected from contamination and located only where there is no exposed food, clean equipment, utensils, and linens, and unwrapped single-use articles.

114163. (a) Except as specified in subdivision (b), a food preparation sink shall be provided in permanent food facilities for the washing, rinsing, soaking, thawing, or similar preparation of foods.

(1) The food preparation sink shall have a minimum dimension of 18 inches by 18 inches in length and width and 12 inches in depth with an integral drainboard or adjacent table at least 18 inches by 18 inches in length and width.

(2) The food preparation sink shall be located in the food preparation area, provided exclusively for food preparation, and accessible at all times.

(3) The sink shall be equipped with an adequate supply of hot and cold running water through a mixing valve.

(b) (1) Food facilities that were approved for operation without a food preparation sink prior to the effective date of this part need not provide a food preparation sink unless the food facility makes a menu change or changes their method of operation.

(2) The enforcement officer may approve other methods where the installation of a food preparation sink would not be readily feasible.

114165. Dollies, pallets, racks, and skids used to store and transport large quantities of prepackaged foods received from a supplier in a cased

or overwrapped lot shall be designed to be moved by hand or by conveniently available hand trucks or forklifts.

114167. Beverage tubing and cold-plate beverage cooling devices shall not be installed in contact with stored ice intended to be used for food or beverages. This section shall not apply to cold plates that are constructed integrally with an ice storage bin.

114169. (a) Equipment that is fixed because it is not easily movable shall be installed so that it is:

(1) Spaced to allow access for cleaning along the sides, behind, and above the equipment.

(2) Spaced from adjoining equipment, walls, and ceilings a distance of not more than one millimeter or one thirty-second inch.

(3) Sealed to adjoining equipment or walls, if the equipment is exposed to spillage or seepage.

(b) Except as specified in subdivisions (c) and (d), floor-mounted equipment that is not easily movable shall be sealed to the floor or elevated on legs that provide at least a six-inch clearance between the floor and the equipment.

(c) Notwithstanding subdivision (b), this section shall not apply to display shelving units, display refrigeration units, and display freezer units located in the consumer shopping areas of a food facility if the floor under the units is maintained clean.

(d) Table-mounted equipment that is not easily movable shall be installed to allow cleaning of the equipment and areas underneath and around the equipment by being sealed to the table or elevated on legs that provide at least a four-inch clearance between the table and the equipment.

114171. Liquid waste drain lines shall not pass through an ice machine or ice storage bin.

114172. All pressurized cylinders shall be securely fastened to a rigid structure.

#### Article 4. Maintenance and Operation

114175. Equipment and utensils shall be kept clean, fully operative, and in good repair.

114177. Surfaces such as cutting blocks and boards that are subject to scratching and scoring shall be resurfaced if they can no longer be effectively cleaned and sanitized, or discarded if they are not capable of being resurfaced.

114178. (a) Except as specified in subdivision (d), cleaned equipment and utensils, laundered linens, and single-use articles shall be stored in



a clean, dry location where they are not exposed to splash, dust, or other contamination, and at least six inches above the floor.

(b) Clean equipment and utensils shall be stored as specified in subdivision (a) and shall be stored covered or inverted in a self-draining position that allows air drying.

(c) Single-use articles shall be stored as specified under subdivision (a) and shall be kept in the original protective package or stored by using other means that afford protection from contamination until used.

(d) Items that are kept in closed packages may be stored less than six inches above the floor on dollies, pallets, racks, and skids that are designed as to be easily movable.

114179. (a) Except as specified in subdivision (b), cleaned and sanitized equipment, utensils, laundered linens, and single-use articles shall not be stored in any of the following locations:

- (1) In locker rooms.
- (2) In toilet rooms.
- (3) In refuse rooms.
- (4) In mechanical rooms.
- (5) Under sewer lines that are not shielded to intercept potential drips.
- (6) Under leaking water lines including leaking automatic fire sprinkler heads or under lines on which water has condensed.
- (7) Under open stairwells.
- (8) Under other sources of contamination.

(b) Laundered linens and single-use articles that are packaged or in a storage compartment may be stored in a locker room.

114180. (a) A reservoir that is used to supply water to a device such as a produce fogger shall be maintained in accordance with manufacturer's specifications and cleaned in accordance with manufacturer's specifications or according to the procedures specified in subdivision (b), whichever is more stringent.

(b) Cleaning procedures shall include at least the following steps and shall be conducted at least once a week:

(1) Draining and complete disassembly of the water and aerosol contact parts.

(2) Brush-cleaning the reservoir, aerosol tubing, and discharge nozzles with a suitable detergent solution.

(3) Flushing the complete system with water to remove the detergent solution and particulate accumulation.

(4) Rinsing by immersing, spraying, or swabbing the reservoir, aerosol tubing, and discharge nozzles with an approved sanitizer as specified in Section 114099.6.

(c) No fogging devices installed after the effective date of this part shall use a reservoir for holding water for fogging, but shall employ water under pressure for fogging or misting of foods.

114182. Electrical power shall be supplied at all times to operate the approved exhaust, lighting, electric water heaters and refrigeration units, and any other accessories and appliances that may be installed in a food facility.

#### Article 5. Linens

114185. Linen shall not be used in contact with food unless they are used to line a container for the service of foods and the linens are replaced each time the container is refilled for a new consumer and laundered prior to reuse.

114185.1. (a) Wiping cloths that are in use for cleaning food spills shall not be used for any other purpose.

(b) Cloths used for wiping food spills shall be dry and used for cleaning food spills from tableware and carry-out containers or used only once, or if used repeatedly, held in a sanitizing solution of an approved concentration as specified in Section 114099.2.

(c) Dry or wet cloths that are used with raw foods of animal origin shall be kept separate from cloths used for other purposes, and wet cloths used with raw foods of animal origin shall be kept in a separate sanitizing solution.

(d) Wet wiping cloths used with a freshly made sanitizing solution and dry wiping cloths shall be free of food debris and visible soil.

(e) Working containers of sanitizing solutions for storage of in-use wiping cloths shall be used in a manner to prevent contamination of food, equipment, utensils, linens, or single-use articles.

114185.2. Clean linens shall be free of food residues and other soiling matter.

114185.3. (a) Linens that do not come in direct contact with food shall be laundered when they become wet, sticky, or visibly soiled.

(b) Cloth gloves shall be laundered before being used with a different type of raw food of animal origin such as beef, lamb, pork, fish and poultry.

(c) Cloth napkins shall be laundered between each use.

(d) Wet wiping cloths shall be laundered daily.

(e) Dry wiping cloths shall be laundered as necessary to prevent contamination of food and clean serving utensils.

114185.4. (a) Adequate and suitable space shall be provided for the storage of clean linens.

(b) Soiled linens shall be kept in clean, nonabsorbent receptacles or clean, washable laundry bags and stored and transported to prevent contamination of food, clean equipment, clean utensils, and single-use articles.

114185.5. (a) Laundry facilities on the premises of a food facility shall be used only for the washing and drying of items used in the operation of the establishment.

(b) If work clothes or linens are laundered on the premises, a mechanical clothes washer and dryer shall be provided and used.

## CHAPTER 7. WATER, PLUMBING, AND WASTE

### Article 1. Water

114189. The enforcement agency may monitor and enforce the potable drinking water standards in the California Safe Drinking Water Act (Chapter 4 commencing with Section 116275) for purposes of enforcing this part and compliance with any requirements with regard to potable water, as defined in Section 113869.

114189.1. Chemicals used as boiler water additives shall meet the requirements specified in 21 C.F.R. 173.310.

114190. All plumbing and plumbing fixtures shall be installed in compliance with applicable local plumbing ordinances, shall be maintained so as to prevent any contamination, and shall be kept clean, fully operative, and in good repair.

114192. (a) An adequate, protected, pressurized, potable supply of hot water and cold water shall be provided. Hot water shall be supplied at a minimum temperature of at least 120°F measured from the faucet, unless otherwise specified in this part. The water supply shall be from a water system approved by the health officer or the local enforcement agency.

(b) Any hose used for conveying potable water shall be constructed of nontoxic materials, shall be used for no other purpose, and shall be clearly labeled as to its use. The hose shall be stored and used so as to be kept free of contamination.

(c) The potable water supply shall be protected with a backflow or back siphonage protection device when required by applicable plumbing codes. Exposed piping of a nonpotable water system shall be identified so that it is readily distinguishable from piping that carries potable water.

114192.1. (a) Water under pressure shall be permanently plumbed to all fixtures, equipment, and nonfood equipment that are required to use water, except for water supplied to nonpermanent food facilities.

(b) Water under pressure shall be provided at a sufficient level as specified by the Uniform Plumbing Code and manufacturer's specifications for equipment and fixtures in the food facility.

114193. (a) All steam tables, ice machines and bins, food preparation sinks, warewashing sinks, display cases, walk-in refrigeration units, and other similar equipment that discharge liquid waste shall be drained by means of indirect waste pipes, and all wastes drained by them shall discharge through an airgap into a floor sink or other approved type of receptor.

(b) Drainage from reach-in refrigeration units shall be conducted in a sanitary manner to a floor sink or other approved device by an indirect connection or to a properly installed and functioning evaporator.

(c) Indirect waste receptors shall be located to be readily accessible for inspection and cleaning.

(d) Warewashing machines may be connected directly to the sewer immediately downstream from a floor drain, or they may be drained through an approved indirect connection.

(e) Warewashing sinks in use on January 1, 1996, that are directly plumbed may be continued in use. This section does not require warewashing sinks to be indirectly plumbed when the local building official determines that the sink should be directly plumbed.

114193.1. An air gap between the water supply inlet and the flood level rim of the plumbing fixture, equipment, or nonfood equipment shall be at least twice the diameter of the water supply inlet and may not be less than one inch.

114195. (a) The water source and system shall be of sufficient capacity to meet the peak water demands of the food facility.

(b) Hot water generation and distribution systems shall be sufficient to meet the peak hot water demands throughout the food facility.

## Article 2. Liquid Waste

114197. Liquid waste shall be disposed of through the approved plumbing system and shall discharge into the public sewerage or into an approved private sewage disposal system.

114199. Equipment compartments that are subject to accumulation of moisture due to conditions such as condensation, food or beverage drip, or water from melting ice, shall be sloped to an outlet that allows for complete draining.

114201. (a) If provided, a grease trap or grease interceptor shall not be located in a food or utensil handling area unless specifically approved by the enforcement agency.

(b) Grease traps and grease interceptors shall be easily accessible for servicing.

(c) Notwithstanding subdivision (a), those food facilities approved with a grease trap or grease interceptor that are in operation before the effective date of this part are not required to comply with this section.

### Article 3. Mobile Water and Wastewater Tanks

114205. (a) Nonpermanent food facilities that handle nonprepackaged food shall be equipped with potable water and wastewater tanks, unless approved temporary water and wastewater connections are provided.

(b) Permanent food facilities shall be in compliance with Sections 114190 to 114201, inclusive.

114207. Materials that are used in the construction of potable water and wastewater tanks and appurtenances shall be safe, durable, corrosion-resistant, nonabsorbent, and finished to have a smooth, easily cleanable surface.

114209. Potable water tanks and wastewater tanks shall be sloped to an outlet that ensures complete drainage of the tank and designed and constructed so as to be easily and completely drained.

114211. (a) The water system shall be designed and constructed using materials that enable water to be introduced without contamination.

(b) All tanks, line couplings, valves, and all other plumbing shall be designed, installed, maintained, and constructed of materials that will not contaminate the water supply, food, utensils, or equipment.

(c) All waste lines shall be connected to wastewater tanks with watertight seals.

(d) Any connection to a wastewater tank shall preclude the possibility of contaminating any food, food-contact surface, or utensil.

114213. (a) Any potable water or wastewater tank mounted within a mobile food facility or mobile support unit shall have an air vent overflow provided in a manner that will prevent potential flooding of the interior of the facility.

(b) If provided, a water tank vent shall terminate in a downward direction and shall be covered with 16 mesh per square inch screen or equivalent when the vent is in a protected area or a protective filter when the vent is in an area that is not protected from windblown dirt and debris.

114215. Hoses used in conjunction with nonpermanent food facilities shall meet all of the following requirements:

(a) A hose used for conveying potable water from a water tank shall be:

(1) Safe.

- (2) Durable, corrosion-resistant, and nonabsorbent.
- (3) Resistant to pitting, chipping, crazing, scratching, scoring, distortion, and decomposition.
- (4) Finished with a smooth interior surface.
- (5) Protected from contamination at all times.
- (6) Clearly and durably identified as to its use if not permanently attached.

(b) Liquid waste lines shall not be the same color as hoses used for potable water.

(c) Hoses used on a mobile food facility or a mobile support unit and potable water tank connectors shall have matching connecting devices. Devices for external cleaning shall not be used for potable water purposes on the mobile food facility. Hoses and faucets equipped with quick connect and disconnect devices for these purposes shall be deemed to meet the requirements of this subdivision. Exterior hose-connection valves shall be attached to mobile food facilities or mobile support units and shall be located above the ground with an approved water connection.

114217. (a) A potable water tank of sufficient capacity to furnish an adequate quantity of potable water for food preparation, warewashing, and handwashing purposes shall be provided for nonpermanent food facilities.

(b) At least five gallons of water shall be provided exclusively for handwashing for each nonpermanent food facility. Any water need for other purposes shall be in addition to the five gallons for handwashing.

(c) Except as specified in subdivision (d), at least 25 gallons of water shall be provided for food preparation and warewashing.

(d) At least 15 gallons of water shall be provided for nonpermanent food facilities that conduct limited food preparation.

(e) The water delivery system shall deliver at least one gallon per minute to each sink basin.

114219. A potable water tank shall be enclosed from the filling inlet to the discharge outlet and emptied to ensure complete drainage of the tank.

114221. (a) Water tanks shall be designed with an access port for inspection and cleaning. The access port shall be in the top of the tank and flanged upward at least one-half inch and equipped with a port cover assembly that is provided with a gasket and a device for securing the cover in place and flanged to overlap the opening and sloped to drain.

(b) Notwithstanding subdivision (a), water tanks that are not accessible for inspection may comply with this section by submitting written operational procedures for the cleaning and sanitizing of the potable water tank. The enforcement agency shall review and approve the

procedures prior to implementation and an approved copy shall be kept on the mobile food facility during hours of operation.

114223. A fitting with “V” type threads on a water tank inlet or outlet shall be allowed only when a hose is permanently attached.

114225. (a) Potable water tanks shall be installed in a manner that will allow water to be filled with an easily accessible inlet.

(b) A potable water tank’s inlet and outlet shall be positioned so that they are protected from contaminants such as waste discharge, dust, oil, or grease.

(c) Nonpermanent food facilities shall be provided with a connection of a size and type that will prevent its use for any other service and shall be constructed so that backflow and other contamination of the water supply is prevented.

114227. A filter that does not pass oil or oil vapors shall be installed in the air supply line between the compressor and potable water system when compressed air is used to pressurize the water tank system.

114229. If not in use, a potable water tank and hose inlet and outlet fitting shall be protected using a cap and keeper chain, quick disconnect, closed cabinet, closed storage tube, or other approved protective cover or device.

114231. A nonpermanent food facility’s potable water tank inlet shall be three-fourths inch in inner diameter or less and provided with a hose connection of a size or type that will prevent its use for any other service.

114233. A water tank, pump, and hoses shall be flushed and sanitized before being placed in service after construction, repair, modification, and periods of nonuse.

114235. A person shall operate a water tank, pump, and hoses so that backflow and other contamination of the water supply are prevented.

114238. A water tank, pump, and hoses used for conveying potable water shall not be used for any other purpose.

114239. (a) Potable water tanks may be constructed in a manner that will allow for a potable water tank to be removed from within the nonpermanent food facility compartments for refilling or replacing.

(b) Refilling of a potable water tank shall be conducted through an approved and sanitary method, such as at the commissary.

(c) Storage of any prefilled water tank, or empty and clean water tanks, or both, shall be within the nonpermanent food facility or in an approved manner that will protect against contamination.

114240. (a) Wastewater tanks shall be of a capacity commensurate with the level of food handling activity.

(b) Wastewater tanks shall have a minimum capacity that is 50 percent greater than the potable water tanks. In no case shall the wastewater

capacity be less than 7.5 gallons. Where potable water for the preparation of a food or beverage is supplied, an additional wastewater tank capacity equal to at least 15 percent of the water supply shall be provided.

(c) Additional wastewater tank capacity may be required where wastewater production is likely to exceed tank capacity.

(d) Where ice is utilized in the storage, display, or service of food or beverages, an additional minimum wastewater holding tank shall be provided with a capacity equal to one-third of the volume of the ice cabinet to accommodate the drainage of ice melt.

(e) Wastewater tanks on nonpermanent food facilities shall be equipped with a shut-off valve.

114241. (a) Wastewater tanks may be constructed in a manner that will allow the wastewater tank to be removed from within the approved nonpermanent food facility compartments for replacing.

(b) Retail food operations shall cease during removal and replacement of tanks.

(c) Sewage and other liquid wastes shall be removed from a nonpermanent food facility at an approved waste servicing area or by an approved sewage transport vehicle in such a way that a public health hazard or nuisance is not created.

114242. Wastewater tanks shall be thoroughly flushed and drained in a sanitary manner during the servicing operation.

#### Article 4. Refuse

114244. (a) Each food facility shall be provided with any facilities and equipment necessary to store or dispose of all waste material.

(b) Waste receptacles shall be provided for use by consumers.

(c) A receptacle shall be provided in each area of the food facility or premises where refuse is generated or commonly discarded, or where recyclables or returnables are placed.

114245. (a) An area designated for refuse, recyclables, returnables, and a redeeming machine for recyclables or returnables shall be located so that it is separate from food, equipment, utensils, linens, and single-service and single-use articles and a public health hazard or nuisance is not created.

(b) Receptacles and waste handling units for refuse, recyclables, and returnables shall not be located so as to create a public health hazard or nuisance or interfere with the cleaning of adjacent space.

114245.1. (a) All refuse, recyclables, and returnables shall be kept in nonabsorbent, durable, cleanable, leakproof, and rodentproof containers and shall be contained so as to minimize odor and insect



development by covering with close-fitting lids or placement in a disposable bag that is impervious to moisture and then sealed.

(b) Trash containers inside a food facility need not be covered during periods of operation.

(c) All refuse shall be removed and disposed of in a sanitary manner as frequently as may be necessary to prevent the creation of a nuisance.

(d) Storage areas, enclosures, and receptacles for refuse, recyclables, and returnables shall be maintained in good repair.

(e) Refuse, recyclables, and returnables shall be removed from the premises at a frequency that will minimize the development of objectionable odors and other conditions that attract or harbor insects and rodents.

114245.2. Cardboard or other packaging material that does not contain food residues and that is awaiting regularly scheduled delivery to a recycling or disposal site may be stored outside without being in a covered receptacle if it is stored so that it does not create a rodent harborage problem.

114245.3. If located within the food facility, a storage area for refuse, recyclables, and returnables shall meet the requirements for floors, walls, ceilings, and vermin exclusion as specified in this part.

114245.4. If provided, an outdoor storage area or enclosure used for refuse, recyclables, and returnables shall be constructed of nonabsorbent material such as concrete or asphalt and shall be easily cleanable, durable, and sloped to drain.

114245.5. Receptacles and waste handling units for refuse and recyclables shall be installed so that accumulation of debris and insect and rodent attraction and harborage are minimized and effective cleaning is facilitated around and, if the unit is not installed flush with the base pad, under the unit.

114245.6. (a) Receptacles and waste handling units for refuse, recyclables, and returnables shall be thoroughly cleaned in a way that does not contaminate food, equipment, utensils, linens, or single-service and single-use articles, and wastewater shall be disposed of as specified under Section 114241.

(b) Soiled receptacles and waste handling units for refuse, recyclables, and returnables shall be cleaned at a frequency necessary to prevent them from developing a buildup of soil or becoming attractants for insects and rodents.

114245.7. (a) Except as specified in subdivision (b), suitable cleaning implements and supplies such as high pressure pumps, hot water, steam, and detergent shall be provided as necessary for effective cleaning of receptacles and waste handling units for refuse, recyclables, and returnables.

(b) If approved, off-premises-based cleaning services may be used if on-premises cleaning implements and supplies are not provided.

114245.8. All animal byproducts and inedible kitchen grease disposed of by any food facility shall be transported by a renderer licensed under Section 19300 of the Food and Agricultural Code, or a registered transporter of inedible kitchen grease licensed under Section 19310 of the Food and Agricultural Code. Nothing in this section prevents a food facility from transporting its own animal byproducts in its own vehicles to a central collection point. For the purposes of this section, inedible kitchen grease does not include grease recovered from a grease interceptor.

## CHAPTER 8. PHYSICAL FACILITIES

### Article 1. Toilet Facilities

114250. Clean toilet rooms in good repair shall be provided and conveniently located and accessible for use by employees during all hours of operation. The number of toilet facilities required shall be in accordance with applicable local building and plumbing ordinances. Toilet rooms shall not be used for the storage of food, equipment, or supplies. Toilet tissue shall be provided in a permanently installed dispenser at each toilet.

114250.1. (a) Food facilities located within amusement parks, stadiums, arenas, food courts, fairgrounds, and similar premises shall not be required to provide toilet facilities for employee use within each food facility if approved toilet facilities are located within 200 feet in travel distance of each food facility and are readily available for use by employees. Food facilities subject to this section shall be provided with approved handwashing facilities for employee use.

(b) Notwithstanding subdivision (a), food facilities approved prior to the effective date of this part with toilet facilities within 300 feet are not required to meet the 200 foot requirement.

### Article 2. Lighting

114252. In every room and area in which any food is prepared, manufactured, processed, or prepackaged, or in which equipment or utensils are cleaned, sufficient natural or artificial lighting shall be provided to produce the following light intensity, while the area is in use:

(a) At least 10-foot candles at a distance of 30 inches above the floor, in walk-in refrigeration units and dry food storage areas.

(b) At least 20-foot candles for the following:

(1) At a surface where food is provided for consumer self-service or where fresh produce or prepackaged foods are sold or offered for consumption.

(2) Inside equipment such as reach-in and under-counter refrigerators.

(3) At a distance of 30 inches above the floor in areas used for handwashing, warewashing, and equipment and utensil storage, and in toilet rooms.

(c) At least 50-foot candles at a surface where a food employee is working with food or working with utensils or equipment such as knives, slicers, grinders, or saws where employee safety is a factor and in other areas and rooms during periods of cleaning.

114252.1. (a) Except as specified in subdivision (b), light bulbs shall be shielded, coated, or otherwise shatter-resistant in areas where there is nonprepackaged ready-to-eat food, clean equipment, utensils, and linens, or unwrapped single-use articles.

(b) Shielded, coated, or otherwise shatter-resistant bulbs need not be used in areas used only for storing prepackaged food in unopened packages, if the integrity of the packages cannot be affected by broken glass falling onto them and the packages are capable of being cleaned of debris from broken bulbs before the packages are opened.

(c) Infrared and other heat lamps shall be protected against breakage by a shield surrounding and extending beyond the bulb so that only the face of the bulb is exposed, or by using approved coated shatter resistant bulbs.

### Article 3. Poisonous and Toxic Materials

114254. (a) Only those insecticides, rodenticides, and other pesticides that are necessary and specifically approved for use in a food facility may be used. The use shall be in accordance with the manufacturer's instructions.

(b) All poisonous substances, detergents, bleaches, cleaning compounds, and all other injurious or poisonous materials shall be stored and used only in a manner that is not likely to cause contamination or adulteration of food, food-contact surfaces, utensils, or packaging materials.

(c) A container previously used to store poisonous or toxic materials shall not be used to store, transport, or dispense food, utensils, and linen.

114254.1. (a) Containers of poisonous or toxic materials and personal care items shall bear a legible manufacturer's label.

(b) Working containers used for storing poisonous or toxic materials such as cleaners and sanitizers taken from bulk supplies shall be clearly and individually identified with the common name of the material.

114254.2. (a) Except as specified in subdivision (b), poisonous or toxic materials shall be stored or displayed so they can not contaminate food, equipment, utensils, linens, and single-use articles by separating the poisonous or toxic materials by spacing or partitioning and locating the poisonous or toxic materials in an area that is not above food, equipment, utensils, linens, and single-use articles.

(b) Equipment and utensil cleaners and sanitizers may be stored in warewashing areas for availability and convenience if the materials are stored to prevent contamination of food, equipment, utensils, linens, and single-use articles.

114254.3. A container previously used to store poisonous or toxic materials shall not be used to store, transport, or dispense food, utensils, or single-use articles.

#### Article 4. Employee Storage Areas

114256. (a) Areas designated for employees to eat and drink shall be located so that food, equipment, linens, and single-use articles are protected from contamination.

(b) Lockers or other suitable facilities shall be located in a designated room or area where contamination of food, equipment, utensils, linens, and single-use articles cannot occur.

114256.1. (a) Lockers or other suitable facilities shall be provided and used for the orderly storage of employee clothing and other possessions.

(b) Dressing rooms or dressing areas shall be provided and used by employees if the employees regularly change their clothes in the facility.

(c) Restricted food service facilities and nonpermanent food facilities shall not be required to comply with subdivision (a), but no person shall store clothing or personal effects in any area used for the storage and preparation of food.

114256.2. Medicines that are in a food facility for the employees' use shall be labeled and stored so as to prevent the contamination of food, equipment, utensils, linens, and single-use articles. This section does not apply to medicines that are stored or displayed for retail sale.

114256.4. First aid supplies that are in a food facility for the employees' use shall be labeled with a legible manufacturer's label and stored in a kit or a container that is located to prevent the contamination of food, equipment, utensils, linens, and single-use articles.

### Article 5. Premises and Facilities

114257. All food facilities and all equipment, utensils, and facilities shall be kept clean, fully operative, and in good repair.

114257.1. The premises of a food facility shall be free of litter and items that are unnecessary to the operation or maintenance of the facility, such as equipment that is nonfunctional or no longer used.

### Article 6. Vermin and Animals

114259. A food facility shall at all times be constructed, equipped, maintained, and operated as to prevent the entrance and harborage of animals, birds, and vermin, including, but not limited to, rodents and insects.

114259.1. The premises of each food facility shall be kept clean and free of vermin.

114259.2. Passthrough window service openings shall be limited to 216 square inches each. The service openings shall not be closer together than 18 inches. Each opening shall be provided with a solid or screened window, equipped with a self-closing device. Screening shall be at least 16 mesh per square inch. Passthrough windows of up to 432 square inches are approved if equipped with an air curtain device. The counter surface of the service openings shall be smooth and easily cleanable.

114259.3. (a) Insect control devices that are used to electrocute or stun flying insects shall be designed to retain the insect within the device.

(b) Insect control devices shall be installed so that the devices are not located over a food or utensil handling area and dead insects and insect fragments are prevented from being impelled onto or falling on nonprepackaged food, clean equipment, utensils, linens, and unwrapped single-use articles.

114259.4. (a) Except as specified in subdivision (b), food employees shall not care for or handle animals that may be present, such as patrol dogs, service animals, or pets that are allowed as specified in subdivision (b) of Section 114259.5.

(b) Food employees with service animals may handle or care for their service animals, and food employees may handle or care for fish in aquariums or molluscan shellfish or crustacea in display tanks if they wash their hands as required in this part.

114259.5. (a) Except as specified in subdivision (b), live animals may not be allowed in a food facility.

(b) Live animals may be allowed in any of the following situations if the contamination of food, clean equipment, utensils, linens, and unwrapped single-use articles cannot result:

(1) Edible fish or decorative fish in aquariums, shellfish or crustacea on ice or under refrigeration, and shellfish and crustacea in display tank systems.

(2) Animals intended for consumption if the live animals are kept separate from all food and utensil handling areas, are held in sanitary conditions, are slaughtered in a separate room designed solely for that purpose and separated from other food and utensil handling areas, and maintained in an area that has ventilation separate from food and utensil handling areas.

(3) Dogs under the control of a uniformed law enforcement officer or of uniformed employees of private patrol operators and operators of a private patrol service who are licensed pursuant to Chapter 11.5 (commencing with Section 7580) of Division 3 of the Business and Professions Code, while those employees are acting within the course and scope of their employment as private patrol persons.

(4) In areas that are not used for food preparation and that are usually open for customers, such as dining and sales areas, service animals that are controlled by a disabled employee or person, if a health or safety hazard will not result from the presence or activities of the service animal.

(5) Pets in the common dining areas of restricted food service facilities at times other than during meals if all of the following conditions are satisfied:

(A) Effective partitioning and self-closing doors separate the common dining areas from food storage or food preparation areas.

(B) Condiments, equipment, and utensils are stored in enclosed cabinets or removed from the common dining areas when pets are present.

(C) Dining areas including tables, countertops, and similar surfaces are effectively cleaned before the next meal service.

(6) In areas that are not used for food preparation, storage, sales, display, or dining, in which there are caged animals or animals that are similarly restricted, such as in a variety store that sells pets or a tourist park that displays animals.

(7) If kept at least 20 feet (6 meters) away from any mobile food facility, temporary food facility, or certified farmers' market.

(c) Those persons and operators described in paragraphs (3) and (4) are liable for any damage done to the premises or facilities by the dog.

(d) Live or dead fish bait may be stored if contamination of food, clean equipment, utensils, linens, and unwrapped single-use articles cannot result.

## CHAPTER 9. PERMANENT FOOD FACILITIES

114265. All permanent food facilities shall meet the applicable requirements in Chapters 1 to 8, inclusive, and Chapter 13, unless specifically exempted from any of these provisions.

## Article 1. Floors, Walls, and Ceilings

114266. (a) Each permanent food facility shall be fully enclosed in a building consisting of permanent floors, walls, and an overhead structure that meet the minimum standards as prescribed by this part. Food facilities that are not fully enclosed on all sides and that are in operation on January 1, 1985, shall not be required to meet the requirements of this section until the facility is remodeled or has a significant menu change or its method of operation.

(b) Notwithstanding subdivision (a), this section shall not be construed to require the enclosure of dining areas or any other operation approved for outdoor food service.

(c) Notwithstanding subdivision (a), a produce stand that was in operation prior to the effective date of this part shall have no more than one side open to the outside air during business hours.

114268. (a) Except in sales areas and as otherwise specified in subdivision (d), the floor surfaces in all areas in which food is prepared, prepackaged, or stored, where any utensil is washed, where refuse or garbage is stored, where janitorial facilities are located in all toilet and handwashing areas, except with respect to areas relating to guestroom accommodations and the private accommodations of owners and operators in restricted food service facilities, and in employee change and storage areas shall be smooth and of durable construction and nonabsorbent material that is easily cleanable.

(b) Floor surfaces shall be coved at the juncture of the floor and wall with a  $\frac{3}{8}$  inch minimum radius coving and shall extend up the wall at least 4 inches, except in areas where food is stored only in unopened bottles, cans, cartons, sacks, or other original shipping containers.

(c) Public or private schools constructed or remodeled after the effective date of this part shall comply with subdivision (b). Public and private schools constructed before the effective date of this part need not comply with subdivision (b), provided that the existing floor surfaces are maintained in good repair and in a sanitary condition.

(d) Except for dining and serving areas, the use of sawdust, wood shavings, peanut hulls, or similar materials is prohibited.

(e) This section shall not prohibit the use of approved dust-arresting floor sweeping and cleaning compounds during floor cleaning operations

or the use of antislip floor finishes or materials in areas where necessary for safety reasons.

114268.1. (a) Except as specified in subdivision (b), only dustless methods of cleaning such as wet cleaning, vacuum cleaning, mopping with treated dust mops, or sweeping using a broom and dust-arresting compounds shall be used in food facilities.

(b) Spills or drippage on floors that occur between normal floor cleaning times may be cleaned without the use of dust-arresting compounds and, in the case of liquid spills or drippage, with the use of a small amount of absorbent compound such as sawdust or diatomaceous earth applied immediately before spot cleaning.

114269. (a) Upon new construction or extensive remodeling, floor drains shall be installed in floors that are water-flushed for cleaning and in areas where pressure spray methods for cleaning equipment are used. Floor surfaces in areas pursuant to this subdivision shall be sloped 1:50 to the floor drains.

(b) Upon new construction or extensive remodeling, floor sinks or equivalent devices shall be installed to receive discharges of water or other liquid waste from equipment.

114271. (a) Except as provided in subdivision (b), the walls and ceilings of all rooms shall be of a durable, smooth, nonabsorbent, and easily cleanable surface.

(b) This section shall not apply to any of the following areas:

(1) Walls and ceilings of bar areas in which alcoholic beverages are sold or served directly to the consumers, except wall areas adjacent to bar sinks and areas where food is prepared.

(2) Areas where food is stored only in unopened bottles, cans, cartons, sacks, or other original shipping containers.

(3) Dining and sales areas.

(4) Offices.

(5) Restrooms that are used exclusively by the patrons, except that the walls and ceilings in the restrooms shall be of a nonabsorbent and washable surface.

(c) Acoustical paneling may be utilized if it is installed not less than six feet above the floor. The paneling shall meet the other requirements of this section.

(d) Conduits of all types shall be installed within walls as practicable. When otherwise installed, they shall be mounted or enclosed so as to facilitate cleaning.

(e) Attachments to walls and ceilings, such as light fixtures, mechanical room ventilation system components, vent covers, wall mounted fans, decorative items, and other attachments, shall be easily cleanable.



114272. Mats and duckboards shall be designed to be removable and easily cleanable.

## Article 2. Toilet Facilities

114276. (a) A permanent food facility shall provide clean toilet facilities in good repair for use by employees.

(b) (1) A permanent food facility shall provide clean toilet facilities in good repair for patrons, guests, or invitees when there is onsite consumption of foods or when the food facility was constructed after July 1, 1984, and has more than 20,000 square feet of floor space.

(2) Notwithstanding Section 113984.1, toilet facilities that are provided for use by patrons, guests, or invitees shall be in a location where patrons, guests, and invitees do not pass through food preparation, food storage, or utensil washing areas to reach the toilet facilities.

(3) For purposes of this section, a building subject to paragraph (1) that has a food facility with more than 20,000 square feet of floor space shall provide at least one separate toilet facility for men and one separate toilet facility for women.

(4) For purposes of this section, the gas pump area of a service station that is maintained in conjunction with a food facility shall not be considered as property used in connection with the food facility or be considered in determining the square footage of floor space of the food facility.

(c) (1) Toilet rooms shall be separated by well-fitted, self-closing doors that prevent the passage of flies, dust, or odors.

(2) Toilet room doors shall be kept closed except during cleaning and maintenance operations.

(d) Handwashing facilities, in good repair, shall be provided as specified in Sections 113953 and 113953.3.

(e) Any city, county, or city and county may enact ordinances that are more restrictive than this section.

(f) (1) Except as provided in paragraph (1) of subdivision (b), any building that is constructed before January 1, 2004, that has a food facility that provides space for the consumption of food on the premises shall either provide clean toilet facilities in good repair for patrons, guests, or invitees on property used in connection with, or in, the food facility or prominently post a sign within the food facility in a public area stating that toilet facilities are not provided.

(2) The first violation of paragraph (1) shall result in a warning. Subsequent violations shall constitute an infraction punishable by a fine of not more than two hundred fifty dollars (\$250).

(3) The requirements of this section for toilet facilities that are accessible to patrons, guests, or invitees on the property may be satisfied by permitting access by those persons to the toilet and handwashing facilities that are required by this part.

### Article 3. Janitorial Facilities

114279. (a) At least one curbed cleaning facility or janitorial sink equipped with a drain shall be provided and conveniently located for the cleaning of mops or similar wet floor cleaning tools and for the disposal of mop water and similar liquid waste.

(b) Restricted food service facilities shall be exempt from subdivision (a) if hot water is available for janitorial purposes and wastewater from janitorial activities is disposed of through an approved sewage disposal system.

114281. A room, area, or cabinet separated from any food preparation or storage area, or warewashing or storage area shall be provided for the storage of cleaning equipment and supplies.

114282. After use, mops shall be placed in a position that allows them to air-dry without soiling walls, equipment, or supplies.

### Article 4. Premises

114285. (a) Except as specified in subdivision (b), a private home, a room used as living or sleeping quarters, or an area directly opening into a room used as living or sleeping quarters shall not be used for conducting food facility operations.

(b) (1) Nonperishable, prepackaged food may be given away, sold, or handled from a private home. No food that has exceeded the labeled shelf life date recommended by the manufacturer shall be deemed to be nonperishable food.

(2) For purposes of this subdivision, “nonperishable food” means a food that is not a potentially hazardous food, and that does not show signs of spoiling, becoming rancid, or developing objectionable odors during storage at ambient temperatures.

(c) Restricted food service facilities are exempt from subdivision (a) provided that no sleeping accommodations shall be allowed in any area where food is prepared or stored.

114286. (a) No sleeping accommodations shall be maintained or kept in any room where food is prepared, stored, or sold.

(b) Living or sleeping quarters located on the premises of a food facility shall be separated from rooms and areas used for food facility operations by complete partitioning and solid self-closing doors.

## CHAPTER 10. MOBILE FOOD FACILITIES

114294. (a) All mobile food facilities and mobile support units shall meet the applicable requirements in Chapters 1 to 8, inclusive, and Chapter 13, unless specifically exempted from any of these provisions as provided in this chapter.

(b) The enforcement agency shall initially approve all mobile food facilities and mobile support units as complying with the provisions of this chapter and may require reapproval if deemed necessary.

(c) Each mobile food facility that is either a special purpose commercial modular and coach as defined by Section 18012.5 or a commercial modular coach as defined by Section 18001.8 shall be certified by the Department of Housing and Community Development, consistent with Chapter 4 (commencing with Section 18025) of Part 2 of Division 13, and regulations promulgated pursuant to that chapter. In addition, the enforcement agency shall approve all equipment installation prior to operation.

114295. (a) Except as specified in subdivision (b), all mobile food facilities shall operate in conjunction with a commissary, mobile support unit, or other facility approved by the enforcement agency.

(b) This section does not apply to mobile food facilities that operate at community events as defined in Section 113755 and that remain in a fixed position during food preparation and its hours of operation.

(c) Mobile food facilities shall be stored at or within a commissary or other location approved by the enforcement agency in order to have protection from unsanitary conditions.

(d) Mobile support units shall be operated from and stored at a designated commissary and shall be subject to permitting and plan review.

114297. (a) Mobile food facilities shall be cleaned and serviced at least once daily during an operating day.

(b) Except as specified in subdivision (c), all mobile food facilities shall report to the commissary or other approved facility on a daily basis.

(c) Mobile food facilities that are serviced by a mobile support unit and that do not report to a commissary on a daily basis shall be stored in a manner that protects the mobile food facility from contamination. All food shall be stored at the commissary or other approved facility at the end of the operating day.

(d) Mobile support units shall report to a commissary or other approved facility for cleaning, servicing, and storage at least daily.

114299. (a) Except as specified in subdivision (c), the business name or name of the operator, city, state, ZIP Code, and name of the permittee, if different from the name of the food facility, shall be legible, clearly

visible to patrons, and permanently affixed on the customer side of the mobile food facility and on a mobile support unit.

(b) The name shall be in letters at least 3 inches high and shall be of a color contrasting with the vehicle exterior. Letters and numbers for the city, state, and ZIP Code shall not be less than one inch high.

(c) Notwithstanding subdivision (a), motorized mobile food facilities and mobile support units shall have the required identification on two sides.

114301. (a) Except to the extent that an alternative construction standard is explicitly prescribed by this section, construction standards for mobile food facilities that are subject to Part 2 (commencing with Section 18000) of Division 13 shall be governed by that part.

(b) Mobile food facility equipment, including, but not limited to, cooking equipment, the interior of cabinet units, and compartments, shall be designed and made of materials that result in smooth, readily accessible, and easily cleanable surfaces.

(1) Unfinished wooden surfaces are prohibited.

(2) Construction joints and seams shall be tightly fitted and sealed so as to be easily cleanable. Silicone sealant or equivalent waterproof compounds shall be acceptable, provided that the gap is smaller than one-quarter inch and applied smooth so as to prevent the entrance of liquid waste or vermin.

(3) Except as specified in Section 114314, nonportable equipment shall be an integral part of the primary unit.

(c) Mobile food facilities that handle potentially hazardous foods, except for prepackaged frozen ready-to-eat foods, whole fish, and whole aquatic invertebrates, shall be equipped with refrigeration units as defined in Section 113885.

(d) All new and replacement gas-fired appliances shall meet applicable ANSI standards. All new and replacement electrical appliances shall meet applicable Underwriters Laboratory standards. However, for units subject to Part 2 (commencing with Section 18000) of Division 13, these appliances shall comply with standards prescribed by Sections 18028, 18029.3, and 18029.5.

(e) Space around pipes, conduits, or hoses that extend through cabinets, floors, or outer walls shall be sealed. The closure shall be smooth and easily cleanable.

(f) Equipment in which spillage is likely to occur shall have a drip tray fitted so that spillage drains into a waste tank.

(g) All equipment shall be installed so as to be easily cleanable, prevent vermin harborage, and provide adequate access for service and maintenance.

(1) Equipment shall be spaced apart or sealed together for easy cleaning. There shall be a minimum of four inches of unobstructed space provided for sanitary maintenance beneath counter mounted equipment or between the sides of adjacent equipment.

(2) Portable equipment or machinery need not comply with the minimum leg height requirement.

(3) Threads, nuts, or rivets shall not be exposed where they interfere with cleaning. Threads, nuts, or rivets that interfere with cleaning shall be sealed or capped.

(4) All floor mounted equipment shall be sealed to the floor to prevent moisture from getting under the equipment, or it shall be raised at least six inches off the floor by means of an easily cleanable leg and foot.

(h) Floors, walls, and ceilings of all enclosed food preparation areas shall be constructed so that the surfaces are impervious, smooth, and easily cleanable. Floor surfaces shall provide employee safety from slipping. The juncture of the floor and wall shall be coved with a  $\frac{3}{8}$  inch minimum radius coving, with the floor surface extending up the wall at least four inches.

(i) Notwithstanding Section 114143, ground or floor surfaces where cooking processes are conducted from a grill, barbecue, or other unenclosed cooking unit on a mobile food facility shall be impervious, smooth, easily cleanable, and shall provide employee safety from slipping. Ground or floor surfaces in compliance with this section shall extend a minimum of five feet on all open sides of where cooking processes are conducted.

114303. (a) Employee entrance doors to food preparation areas shall be self-closing and kept closed when not in use.

(b) The mobile food facility, and all equipment and utensils shall be protected from potential contamination, and kept clean, in good repair, and free of vermin.

(c) During transportation, storage, and operation of a mobile food facility, food, food-contact surfaces, and utensils shall be protected from contamination.

(d) The permit holder of an unenclosed mobile food facility handling nonprepackaged food shall develop and follow written operational procedures for food handling and the cleaning and sanitizing of food-contact surfaces and utensils. The enforcement agency shall review and approve the procedures prior to implementation and an approved copy shall be kept on the mobile food facility during periods of operation.

114305. (a) During operation, no food intended for retail shall be conveyed, held, stored, displayed, or served from any place other than a mobile food facility, except for the restocking of product in a manner approved by the enforcement agency.

(b) Food preparation counter space shall be provided commensurate with the food operation, adjacent to all cooking equipment.

(c) Except as specified in subdivision (d), food products remaining after each day's operation shall be stored in an approved commissary or other approved facility.

(d) Potentially hazardous foods held at or above 135°F on a mobile food facility or mobile support unit shall be destroyed at the end of the operating day.

114307. Mobile food facilities that operate at community events and that remain fixed during food preparation and its hours of operation may:

(a) Include a staffed counter that serves hot and cold beverages and ice that are not potentially hazardous food and that are dispensed from approved bulk dispensing units.

(b) Store supplies and food that are not potentially hazardous in unopened containers adjacent to the mobile food facility or in a nearby temporary storage unit. "Unopened container" means a factory sealed container that has not been previously opened and that is suitably constructed to be resistant to contamination from moisture, dust, insects, and rodents.

(c) Operate an open-air barbecue adjacent to the mobile food facility if approved by the enforcement agency.

114309. (a) Mobile food facilities and mobile support units shall be exempt from the requirements of Sections 114250, 114256.1, and 114279.

(b) Nothing in this chapter shall be deemed to require any person to replace or modify an existing mobile food facility approved for operation prior to adoption of this part, so long as the facility is operated in accordance with the conditions of approval. Plans and specifications may be required by the enforcement agency if it determines that they are necessary to assure compliance with this part.

(c) Mobile food facilities equipped with a one-compartment sink or two-compartment sink that was approved for operation prior to adoption of this part need not provide a three-compartment sink.

114311. Except as specified in subdivision (c), mobile food facilities not under a valid permit as of January 1, 1997, from which nonprepackaged food is sold shall provide handwashing facilities. The handwashing facilities shall be separate from the warewashing sink.

(a) The handwashing sink shall have a minimum dimension of nine inches by nine inches in length and width and five inches in depth and be easily accessible by food employees.

(b) The handwashing facility shall be separated from the warewashing sink by a metal splashguard with a height of at least six inches that extends from the back edge of the drainboard to the front edge of the drainboard, the corners of the barrier to be rounded. No splashguard is

required if the distance between the handwashing sink and the warewashing sink drainboards is 24 inches or more.

114313. (a) Except as specified in subdivision (b), mobile food facilities where nonprepackaged food is cooked, blended, or otherwise prepared shall provide a warewashing sink with at least three compartments with two integral metal drainboards.

(1) The dimensions of each compartment shall be at least 12 inches wide, 12 inches long, and 10 inches deep, or large enough to accommodate the cleaning of the largest utensil.

(2) Each drainboard shall be at least the size of one of the sink compartments. The drainboards shall be installed with at least one-eighth inch per foot slope toward the sink compartment, and fabricated with a minimum of one-half inch lip or rim to prevent the draining liquid from spilling onto the floor.

(3) The sink shall be equipped with a mixing faucet and shall be provided with a swivel spigot capable of servicing all sink compartments.

(b) Mobile food facilities that are not required to provide a warewashing sink on the mobile food facility, including those that handle nonpotentially hazardous foods that require no preparation other than heating, baking, popping, portioning, bulk dispensing, or assembly shall wash and sanitize all utensils and equipment on a daily basis at the approved commissary or other approved food facility and provide and maintain an adequate supply of spare preparation and serving utensils in the mobile food facility as needed to replace those that become soiled or contaminated.

114314. (a) Handwashing facilities and warewashing sinks for unenclosed mobile food facilities shall be an integral part of the primary unit or on an approved auxiliary conveyance that is used in conjunction with, and maintained immediately adjacent to, the primary unit of the mobile food facility.

(b) When used in conjunction with a mobile food facility, an auxiliary conveyance shall contain all of the utility connections.

114315. Mobile food facilities shall be operated within 200 feet travel distance of approved and readily available toilet and handwashing facilities, or as otherwise approved by the enforcement agency, to ensure restroom facilities are available to facility employees whenever the mobile food facility is stopped to conduct business for more than a one-hour period.

114317. The exterior of a mobile food facility and the surrounding area, as relating to the operation of food service, shall be maintained in a sanitary condition.

114319. (a) Spare tires, related automotive equipment, or special tools relating to the mechanical operation of the mobile food facility shall not be stored in the food preparation or food storage areas.

(b) A separate cabinet or drawer shall be installed for the storage of insecticides or other poisonous substances in accordance with Section 114254, if these substances are used. All poisonous chemicals shall be kept in this cabinet or drawer in their original containers and in a manner that offers no contamination hazard to food or utensils.

(c) During periods of inoperation, food and utensils shall be stored in one of the following methods:

(1) Within approved food storage facilities at the commissary or other approved facility.

(2) In food compartments approved by the enforcement agency where the food is protected at all times from contamination, exposure to the elements, ingress of rodents and other vermin, and temperature abuse.

114321. Mobile food facilities that are occupied during normal business operations shall have a clear, unobstructed height over the aisleway portion of the unit of at least 74 inches from floor to ceiling, and a minimum of 30 inches of unobstructed horizontal aisle space. This section shall not apply to vehicles under permit prior to January 1, 1996.

114322. Compressor units that are not an integral part of food equipment, auxiliary engines, generators, and similar equipment shall be installed in an area that is completely separated from food preparation and food storage and that is accessible from outside the unit for proper cleaning and maintenance.

114323. (a) A first-aid kit shall be provided and located in a convenient area in an enclosed case.

(b) Mobile food facilities that operate at more than one location in a calendar day shall be equipped to meet all of the following requirements:

(1) All utensils in a mobile food facility shall be stored so as to prevent their being thrown about in the event of a sudden stop, collision, or overturn. A safety knife holder shall be provided to avoid loose storage of knives in cabinets, boxes, or slots along counter aisles. Knife holders shall be designed to be easily cleanable and be manufactured of materials approved by the enforcement agency.

(2) Coffee urns, deep fat fryers, steam tables, and similar equipment shall be equipped with positive closing lids that are fitted with a secure latch mechanism that will prevent excessive spillage of hot liquids into the interior of a mobile food facility in the event of a sudden stop, collision, or overturn. As an alternative to this requirement, a coffee urn may be installed in a compartment that will prevent excessive spillage of coffee in the interior of the unit.



(3) Metal protective devices shall be installed on the glass liquid level sight gauges on all coffee urns.

(c) Light bulbs and tubes shall be covered with a completely enclosed plastic safety shield or its equivalent, and installed so as to not constitute a hazard to personnel or food.

(d) All liquefied petroleum equipment shall be installed to meet applicable fire authority standards, and this installation shall be approved by the fire authority. However, for units subject to Part 2 (commencing with Section 18000) of Division 13, this equipment and its installation shall comply with standards prescribed by Sections 18028 and 18029.5.

(e) A properly charged and maintained minimum 10 BC-rated fire extinguisher to combat grease fires shall be properly mounted and readily accessible on the interior of each occupied mobile food facility.

(f) (1) Except for units subject to Part 2 (commencing with Section 18000) of Division 13, a second means of exit shall be provided in the side opposite the main exit door, or in the roof, or the rear of the unit, with an unobstructed passage of at least 24 inches by 36 inches. The interior latching mechanism shall be operable by hand without special tools or key. The exit shall be labeled "Safety Exit" in contrasting colors with letters at least one inch high.

(2) For units subject to Part 2 (commencing with Section 18000) of Division 13, the size, latching, and labeling of the second means of exit shall comply with standards prescribed by Sections 18028 and 18029.5.

(g) All gas-fired appliances shall be properly insulated in a manner that will prevent excessive heat buildup and injury.

114325. A water heater or an instantaneous heater capable of heating water to a minimum of 120°F, interconnected with a potable water supply, shall be provided and shall operate independently of the vehicle engine.

(a) Except as specified in subdivision (b), a water heater with a minimum capacity of three gallons shall be provided for mobile food facilities.

(b) A minimum water heater capacity of one-half gallon shall be provided for mobile food facilities approved for limited food preparation.

114326. All commissaries and other approved facilities servicing mobile support units, mobile food facilities, and vending machines shall meet the applicable requirements in this part and all of the following:

(a) Adequate facilities shall be provided for the sanitary disposal of liquid waste from the mobile food facility or mobile support unit being serviced.

(b) Adequate facilities shall be provided for the handling and disposal of garbage and refuse originating from a mobile food facility or mobile support unit.

(c) Potable water shall be available for filling the water tanks of each mobile food facility and mobile support unit that requires potable water. Faucets and other potable water sources shall be constructed, located, and maintained so as to minimize the possibility of contaminating the water being loaded.

(d) Hot and cold water, under pressure, shall be available for cleaning mobile food facilities and mobile support units.

(e) Adequate facilities shall be provided for the storage of food, utensils, and other supplies.

(f) Notwithstanding Section 113984, commissaries that service mobile food facilities that conduct limited food preparation shall provide a food preparation area.

(g) Servicing areas at commissaries shall be provided with overhead protection, except that areas used only for the loading of water or the discharge of sewage and other liquid waste through the use of a closed system of hoses need not be provided with overhead protection.

(h) Servicing areas used for cleaning shall be sloped and drained to an approved wastewater system.

(i) Adequate electrical outlets shall be provided for mobile food facilities and mobile support units that require electrical service.

114327. (a) Mobile support units shall be subject to plan review and be approved by the enforcement agency. Requirements shall be based on proposed method of operation and number of mobile food facilities serviced.

(b) Mobile support units shall meet all applicable requirements of this part and the following:

(1) Interior floor, sides, and top shall be free of cracks, seams, or linings where vermin may harbor, and shall be constructed of a smooth, washable, impervious material capable of withstanding frequent cleaning with approved sanitizing agents.

(2) Be constructed and operated so that no liquid wastes can drain onto any street, sidewalk, or premises.

(3) If used to transport potentially hazardous food, approved equipment to maintain food at the required temperatures shall be provided.

(4) Food, utensils, and supplies shall be protected from contamination.

(5) A separate storage area shall be provided for all poisonous substances, detergents, bleaches, cleaning compounds, and all other injurious or poisonous materials.

(c) Mobile support units shall not be approved for warewashing.

#### Article 13.5. Nonprofit Charitable Temporary Food Facilities

114332. This article governs sanitation requirements for nonprofit charitable temporary food facilities.

114332.1. Nonprofit charitable temporary food facilities may operate up to four times annually. These four time periods shall not exceed 72 hours each.

114332.2. (a) Except where all food and beverage is prepackaged, handwashing, and utensil washing facilities approved by the enforcement officer shall be provided within nonprofit charitable temporary food facilities.

(b) Facilities for the sanitary disposal of all liquid waste shall be subject to the approval of the enforcement officer.

(c) At least one toilet facility for each 15 employees shall be provided within 60 meters (200 feet) of each nonprofit charitable temporary food facility.

(d) Food contact surfaces shall be smooth, easily cleanable, and nonabsorbent.

114332.3. (a) No potentially hazardous food or beverage stored or prepared in a private home may be offered for sale, sold, or given away from a nonprofit charitable temporary food facility. Potentially hazardous food shall be prepared in a food establishment or on the premises of a nonprofit charitable temporary food facility.

(b) All food and beverage shall be protected at all times from unnecessary handling and shall be stored, displayed, and served so as to be protected from contamination.

(c) Potentially hazardous food and beverage shall be maintained at or below 7 degrees Celsius (45 degrees Fahrenheit) or at or above 57.2 degrees Celsius (135 degrees Fahrenheit) at all times.

(d) Ice used in beverages shall be protected from contamination and shall be maintained separate from ice used for refrigeration purposes.

(e) All food and food containers shall be stored off the floor on shelving or pallets located within the facility.

(f) Smoking is prohibited in nonprofit charitable temporary food facilities.

(g) (1) Except as provided in paragraph (2), live animals, birds, or fowl shall not be kept or allowed in nonprofit charitable temporary food facilities.

(2) Paragraph (1) does not prohibit the presence, in any room where food is served to the public, guests, or patrons, of a guide dog, signal dog, or service dog, as defined by Section 54.1 of the Civil Code, accompanied by a totally or partially blind person, deaf person, person whose hearing is impaired, or handicapped person, or dogs accompanied by persons licensed to train guide dogs for the blind pursuant to Chapter

9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code.

(3) Paragraph (1) does not apply to dogs under the control of uniformed law enforcement officers or of uniformed employees of private patrol operators and operators of a private patrol service who are licensed pursuant to Chapter 11.5 (commencing with Section 7580) of Division 3 of the Business and Professions Code, while these employees are acting within the course and scope of their employment as private patrol persons.

(4) The persons and operators described in paragraphs (2) and (3) are liable for any damage done to the premises or facilities by the dog.

(5) The dogs described in paragraphs (2) and (3) shall be excluded from food preparation and utensil wash areas. Aquariums and aviaries shall be allowed if enclosed so as not to create a public health problem.

(h) All garbage shall be disposed of in a sanitary manner.

(i) Employees preparing or handling food shall wear clean clothing and shall keep their hands clean at all times.

114332.4. The enforcement officer may establish additional structural or operational requirements as necessary to ensure that food is of a safe and sanitary quality.

114332.5. Open-air barbecue facilities may be operated adjacent to nonprofit charitable temporary food facilities, and shall be subject to the requirements of Article 9 (commencing with Section 114185).

114332.7. Nothing in this article shall prevent a local enforcement agency from performing inspections of, or requiring permits for, any nonprofit charitable temporary food facility to ensure compliance with food safety provisions contained in this chapter.

## CHAPTER 11. TEMPORARY FOOD FACILITIES

114335. (a) Temporary food facilities that operate at a swap meet are limited to only prepackaged nonpotentially hazardous food and whole uncut produce, and shall meet the applicable requirements in Chapters 1 to 8, inclusive, and Chapter 13, unless specifically exempted from any of these provisions.

(b) Temporary food facilities that operate at a community event shall meet the applicable requirements in Chapters 1 to 8, inclusive, and Chapter 13, unless specifically exempted from any of these provisions.

(c) Food facility requirements shall be determined by the enforcement agency based on the food service activity to be conducted, the type of food that is to be prepared or served, the length of the event, and the extent of food preparation that is to be conducted at a community event within a temporary food facility.

(d) Notwithstanding subdivision (a), the enforcement agency may allow temporary food facilities at a swap meet, depending on the food service activity to be conducted, the type of food that is to be prepared or served, the duration of the swap meet, and the extent of food preparation that is to be conducted at the swap meet.

114337. The name of the facility, city, state, ZIP Code, and name of the operator shall be legible and clearly visible to patrons. The facility name shall be in letters at least three inches high, and shall be of a color contrasting with the surface on which it is posted. Letters and numbers for the city, state, and ZIP Code, may not be less than one inch in height.

114339. (a) No home canned or home processed foods shall be permitted within a temporary food facility.

(b) Notwithstanding subdivision (a), nonpotentially hazardous beverages and baked goods may be offered for sale, sold, or given away by a nonprofit charitable organization or by an established club or organization that operates under the authorization of a school or educational facility for fundraising purposes at community events.

114341. (a) Notwithstanding Section 113984, all food preparation at a community event shall be conducted within the temporary food facility or other approved food facility.

(b) Barbecues, grills or other equipment approved for outdoor cooking may be located adjacent to the temporary food facility if local building and fire codes prohibit cooking inside the temporary food facility.

(c) Grills and barbecues or other approved cooking equipment shall be separated from public access by using ropes or other approved methods to prevent contamination of the food and injury to the public.

114343. (a) Except as otherwise provided in Section 113996, during operating hours of the temporary food facility, potentially hazardous food may be held at a temperature not to exceed 45°F for up to 12 hours in any 24-hour period.

(b) At the end of the operating day, potentially hazardous food that is held at 45°F shall be destroyed in a manner approved by the enforcement agency.

(c) At the end of the operating day, potentially hazardous food that is held at or above 135°F shall be destroyed in a manner approved by the enforcement officer.

114345. Temporary food facilities may include a staffed counter that serves hot and cold beverages and ice that are not potentially hazardous food and that are dispensed from approved bulk dispensing units.

114347. Temporary food facilities that handle nonprepackaged food shall provide floors constructed of concrete, asphalt, tight wood, or other similar cleanable material kept in good repair.

114349. (a) Temporary food facilities shall be equipped with overhead protection for all food preparation, food storage, and warewashing areas. Overhead protection shall be made of wood, canvas, or other materials that protect the facility from precipitation, dust, bird and insect droppings, and other contaminants.

(b) Temporary food facilities that handle nonprepackaged food must also protect food from contamination in all of the following ways:

- (1) Enclosure of the food facility with 16 mesh per square inch screens.
- (2) Limiting display and handling of nonprepackaged food in food compartments.
- (3) Other effective means approved by the enforcement officer.

(c) Notwithstanding Section 113984, this section does not apply to temporary food facilities that are approved for limited food preparation if flying insects, vermin, birds, and other pests are absent due to the location of the facility or other limiting conditions.

114351. Notwithstanding Section 114095, a warewashing sink may be shared by no more than four temporary food facilities that handle nonprepackaged food if the sink is centrally located and is adjacent to the sharing facilities.

114353. A temporary food facility shall provide only single-use articles for use by the consumer.

114354. (a) Food-related and utensil-related equipment used in conjunction with a temporary food facility shall be approved by the enforcement agency.

(b) Cold and hot holding equipment shall be provided to insure proper temperature control during transportation, storage, and operation of the temporary food facility.

(c) Equipment shall be located and installed to prevent food contamination.

114355. Ice used for refrigeration purposes shall not be used for consumption in food or beverages.

114356. (a) Notwithstanding Section 114047, during periods of operation, supplies and nonpotentially hazardous food, in unopened containers may be stored adjacent to the temporary food facility or in unopened containers in an approved nearby temporary storage unit. An "unopened container" means a factory sealed container that has not been previously opened and that is suitably constructed to be resistant to contamination from moisture, dust, insects, and rodents.

(b) During periods of inoperation, food shall be stored within a fully enclosed temporary food facility, within a permanent food facility or other facility approved by the enforcement agency, or in approved food compartments where the food is protected at all times from

contamination, exposure to the elements, ingress of rodents and other vermin, and temperature abuse.

114358. (a) Notwithstanding Section 113953, handwashing facilities for temporary food facilities that operate for three days or less may include a container capable of providing a continuous stream of water at a temperature of 100°F from an approved source that leaves both hands free to allow vigorous rubbing with soap and warm water for 20 seconds.

(b) Food facilities that handle only prepackaged food may provide cold water with a germicidal soap at the handwashing facility.

(c) A catch basin shall be provided to collect wastewater, and the wastewater shall be properly disposed of according to Section 114197.

(d) Handwashing facilities shall be equipped with handwashing cleanser and single-use sanitary towels.

(e) A separate receptacle shall be available for towel waste.

114359. (a) At least one toilet facility for each 15 employees shall be provided within 200 feet of each temporary food facility.

(b) Each toilet facility shall be provided with approved handwashing facilities.

114361. Temporary food facilities that operate for more than one day shall be cleaned and serviced by methods approved by the enforcement agency.

114363. Based upon local environmental conditions, location, and other similar factors, the enforcement officer may establish additional structural or operational requirements, or both, as necessary to ensure that foods are of a safe and sanitary quality.

## CHAPTER 12. CERTIFIED FARMERS' MARKETS

114370. Certified farmers' markets shall meet the applicable general sanitation requirements in Section 113980 and as provided in this chapter.

114371. Certified farmers' markets shall meet all of the following requirements:

(a) All food shall be stored at least six inches off the floor or ground or under any other conditions that are approved.

(b) Food preparation is prohibited at certified farmers' markets with the exception of food samples. Distribution of food samples may occur provided that the following sanitary conditions exist:

(1) Samples shall be kept in approved, clean, covered containers.

(2) All food samples shall be distributed by the producer in a sanitary manner.

(3) Clean, disposable plastic gloves shall be used when cutting food samples.

(4) Food intended for sampling shall be washed or cleaned in another manner of any soil or other material by potable water in order that it is wholesome and safe for consumption.

(5) Notwithstanding Section 114205, potable water shall be available for handwashing and sanitizing as approved by the enforcement agency.

(6) Potentially hazardous food samples shall be maintained at or below 45°F and shall be disposed of within two hours after cutting.

(7) Wastewater shall be disposed of in a facility connected to the public sewer system or in a manner approved by the enforcement agency.

(8) Utensils and cutting surfaces shall be smooth, nonabsorbent, and easily cleanable, or single-use articles shall be utilized.

(c) Approved toilet and handwashing facilities shall be available within 200 feet travel distance of the premises of the certified farmers' market or as approved by the enforcement officer.

(d) No live animals, birds, or fowl shall be kept or allowed within 20 feet of any area where food is stored or held for sale. This subdivision does not apply to guide dogs, signal dogs, or service dogs when used in the manner specified in Section 54.1 of the Civil Code.

(e) All garbage and refuse shall be stored and disposed of in a manner approved by the enforcement officer.

(f) Notwithstanding Chapter 10 (commencing with Section 114294), vendors selling food adjacent to, and under the jurisdiction and management of, a certified farmers' market may store, display, and sell from a table or display fixture apart from the vehicle in a manner approved by the enforcement agency.

(g) Temporary food facilities may be operated as a separate community event adjacent to and in conjunction with certified farmers' markets that are operated as a community event. The organization in control of the event at which one or more temporary food facilities operate shall comply with Section 114383.

114373. Raw shell eggs may be stored and displayed without refrigeration if all of the following conditions are met:

(a) The eggs were produced by poultry owned by the seller and collected on the seller's property.

(b) The eggs are not placed in direct sunlight during storage or display.

(c) Retail egg containers are prominently labeled "refrigerate after purchase" or the seller posts a conspicuous sign advising consumers that the eggs are to be refrigerated as soon as practical after purchase.

(d) Retail egg containers are conspicuously identified as to the date of the pack.

(e) The eggs have been cleaned and sanitized.

(f) The eggs are not checked, cracked, or broken.



(g) Any eggs that are stored and displayed at temperatures of 90°F or below and that are unsold after four days from the date of pack shall be stored and displayed at an ambient temperature of 45°F or below, diverted to pasteurization, or destroyed in a manner approved by the enforcement agency.

(h) Any eggs that are stored and displayed at temperatures above 90°F that are unsold after four days from the date of pack shall be diverted to pasteurization or destroyed in a manner approved by the enforcement agency.

## CHAPTER 13. COMPLIANCE AND ENFORCEMENT

### Article 1. Plan Review and Permits

114380. (a) A person proposing to build or remodel a food facility shall submit complete, easily readable plans drawn to scale, and specifications to the enforcement agency for review, and shall receive plan approval before starting any new construction or remodeling of any facility for use as a retail food facility.

(b) Plans and specifications may also be required by the enforcement agency if the agency determines that they are necessary to assure compliance with the requirements of this part, including, but not limited to, a menu change or change in the facility's method of operation.

(c) (1) All new school food facilities or school food facilities that undergo modernization or remodeling shall comply with all structural requirements of this part. Upon submission of plans by the school authority, the Office of State Architect and the local enforcement agency shall review and approve all new and remodeled school facilities for compliance with all applicable requirements.

(2) Except where a determination is made by the enforcement agency that the nonconforming structural conditions pose a public health hazard, existing food facilities shall be deemed to be in compliance with the law pending replacement or renovation. If a determination is made by the enforcement agency that a structural condition poses a public health hazard, the school shall remedy the deficiency to the satisfaction of the enforcement agency.

(d) The plans shall be approved or rejected within 20 working days after receipt by the enforcement agency and the applicant shall be notified of the decision. Unless the plans are approved or rejected within 20 working days, they shall be deemed approved. The building department shall not issue a building permit for a food facility until after it has received plan approval by the enforcement agency. Nothing in this section

shall require that plans or specifications be prepared by someone other than the applicant.

114381. (a) A food facility shall not be open for business without a valid permit.

(b) A permit shall be issued by the enforcement agency when investigation has determined that the proposed facility and its method of operation meets the specifications of the approved plans or conforms to the requirements of this part.

(c) A permit, once issued, is nontransferable. A permit shall be valid only for the person, location, type of food sales, or distribution activity and, unless suspended or revoked for cause, for the time period indicated.

(d) Any fee for the permit or registration or related services, including, but not limited to, the expenses of inspecting and impounding any utensil suspected of releasing lead or cadmium in violation of Section 108860 as authorized by Section 114393, review of HACCP plans, and alternative means of compliance shall be determined by the local governing body. Fees shall be sufficient to cover the actual expenses of administering and enforcing this part.

(e) A permit shall be posted in a conspicuous place in the food facility or in the office of a vending machine business.

(f) Any person requesting the enforcement agency to undertake activity pursuant to Sections 114149.1 and 114419.3 shall pay the enforcement agency's costs incurred in undertaking the activity. The enforcement agency's services shall be assessed at the current hourly cost recovery rate.

114381.1. In addition to the permit issued to each food facility participating in a community event or swap meet, a permit shall be obtained by the person or organization responsible for facilities that are shared by two or more food facilities.

(a) The permit application and site plan shall be submitted to the enforcement agency at least two weeks prior to operation of any food facility.

(b) The site plan shall show the proposed locations of the food facilities, restrooms, refuse containers, potable water supply faucets, waste water disposal facilities, and all shared warewashing and handwashing facilities.

114381.2. A permit application shall be submitted to the enforcement agency by each temporary food facility operator that includes all of the following:

(a) A site plan that indicates the proposed layout of equipment, food preparation tables, food storage, warewashing, and handwashing facilities.

(b) Details of the materials and methods used to construct the temporary food facility.

(c) All food products that will be handled and dispensed.

(d) The proposed procedures and methods of food preparation and handling.

(e) Procedures, methods, and schedules for cleaning utensils, equipment, and structures, and for the disposal of refuse.

(f) How food will be transported to and from a permanent food facility or other approved food facility and the temporary food facility, and steps taken to prevent contamination of foods.

(g) How potentially hazardous foods will be maintained at or below 41°F or at or above 135°F.

114387. Any person who operates a food facility shall obtain all necessary permits to conduct business, including, but not limited to, a permit issued by the enforcement agency. In addition to the penalties under Article 2 (commencing with Section 114405), violators who operate without the necessary permits shall be subject to closure of the food facility and a penalty not to exceed three times the cost of the permit.

## Article 2. Enforcement

114390. (a) Enforcement officers shall enforce this part and all regulations adopted pursuant to this part.

(b) (1) For purposes of enforcement, any authorized enforcement officer may, during the facility's hours of operation and other reasonable times, enter, inspect, issue citations to, and secure any sample, photographs, or other evidence from a food facility or any facility suspected of being a food facility, or a vehicle transporting food to or from a retail food facility, when the vehicle is stationary at an agricultural inspection station, a border crossing, or at any food facility under the jurisdiction of the enforcement agency, or upon the request of an incident commander.

(2) If a food facility is operating under an HACCP plan, the enforcement officer may, for the purpose of determining compliance with the plan, secure as evidence any documents, or copies of documents, relating to the facility's adherence to the HACCP plan. Inspection may, for the purpose of determining compliance with this part, include any record, file, paper, process, HACCP plan, invoice, or receipt bearing on whether food, equipment, or utensils are in violation of this part.

(c) Notwithstanding subdivision (a), an employee may refuse entry to an enforcement officer who is unable to present official identification showing the enforcement officer's picture and enforcement agency name. In the absence of the identification card, a business card showing the

enforcement agency's name plus a picture identification card such as a driver's license shall meet this requirement.

(d) It is a violation of this part for any person to refuse to permit entry or inspection, the taking of samples or other evidence, access to copy any record as authorized by this part, to conceal any samples or evidence, withhold evidence concerning them, or interfere with the performance of the duties of an enforcement officer, including making verbal or physical threats or sexual or discriminatory harassment.

(e) A written report of the inspection shall be made and a copy shall be supplied or mailed to the owner, manager, or operator of the food facility.

114393. (a) Based upon inspection findings or other evidence, an enforcement officer may impound food, equipment, or utensils that are found to be unsanitary or in such disrepair that food, equipment, or utensils may become contaminated or adulterated, and inspect, impound, or inspect and impound any utensil that is suspected of releasing lead or cadmium in violation of Section 108860. The enforcement officer may attach a tag to the food, equipment, or utensils that shall be removed only by the enforcement officer following verification that the condition has been corrected.

(b) No food, equipment, or utensils impounded pursuant to subdivision (a) shall be used unless the impoundment has been released.

(c) Within 30 days, the enforcement agency that has impounded the food, equipment, or utensils pursuant to subdivision (a) shall commence proceedings to release the impounded materials or to seek administrative or legal remedy for its disposition.

114395. Except as otherwise provided in this part, any person who violates any provision of this part or regulation adopted pursuant to this part is guilty of a misdemeanor. Each offense shall be punished by a fine of not less than twenty-five dollars (\$25) or more than one thousand dollars (\$1,000) or by imprisonment in the county jail for a term not exceeding six months, or by both fine and imprisonment.

114397. The owner, manager, or operator of any food facility is responsible for any violation by an employee of any provision of this part or any regulation adopted pursuant to this part. Each day the violation occurs shall be a separate and distinct offense.

114399. A violation of any provision of this part or regulation adopted pursuant to this part relating to facilities held in common or shared by more than one food facility shall be deemed a violation for which the owner, manager, or operator of each food facility is responsible.

### Article 3. Permit Suspension or Revocation

114405. (a) A permit may be suspended or revoked by a local enforcement officer for a violation of this part. Any food facility for which the permit has been suspended shall close and remain closed until the permit has been reinstated. Any food facility for which the permit has been revoked shall close and remain closed until a new permit has been issued.

(b) Whenever a local enforcement officer finds that a food facility is not in compliance with the requirements of this part, a written notice to comply shall be issued to the permit holder. If the permit holder fails to comply, the local enforcement officer shall issue to the permit holder a notice setting forth the acts or omissions with which the permit holder is charged, and informing him or her of a right to a hearing, if requested, to show cause why the permit should not be suspended or revoked. A written request for a hearing shall be made by the permit holder within 15 calendar days after receipt of the notice. A failure to request a hearing within 15 calendar days after receipt of the notice shall be deemed a waiver of the right to a hearing. When circumstances warrant, the hearing officer may order a hearing at any reasonable time within this 15-day period to expedite the permit suspension or revocation process.

(c) The hearing shall be held within 15 calendar days of the receipt of a request for a hearing. Upon written request of the permit holder, the hearing officer may postpone any hearing date, if circumstances warrant the action.

114407. The hearing officer shall issue a written notice of decision to the permit holder within five working days following the hearing. In the event of a suspension or revocation, the notice shall specify the acts or omissions with which the permit holder is charged, and shall state the terms of the suspension or that the permit has been revoked.

114409. (a) If any imminent health hazard is found, unless the hazard is immediately corrected, an enforcement officer may temporarily suspend the permit and order the food facility immediately closed.

(b) Whenever a permit is suspended as the result of an imminent health hazard, the enforcement officer shall issue to the permit holder a notice setting forth the acts or omissions with which the permit holder is charged, specifying the pertinent code section, and informing the permit holder of the right to a hearing.

(c) At any time within 15 calendar days after service of a notice pursuant to subdivision (b), the permit holder may request in writing a hearing before a hearing officer to show cause why the permit suspension is not warranted. The hearing shall be held within 15 calendar days of

the receipt of a request for a hearing. A failure to request a hearing within 15 calendar days shall be deemed a waiver of the right to a hearing.

114411. The enforcement agency may, after providing opportunity for a hearing, modify, suspend, or revoke a permit for serious or repeated violations of any requirement of this part or for interference in the performance of the duty of the enforcement officer.

114413. A permit may be reinstated or a new permit issued if the enforcement agency determines that the conditions that prompted the suspension or revocation no longer exist.

#### Article 4. Variance

114417. The department may issue a variance for only the provisions set forth in Section 113936, if in the opinion of the department, the alternative practice or procedure is equivalent to the respective requirements of this part and the alternative practice or procedure does not result in a health hazard.

114417.1. (a) Within 180 days after the effective date of this part, the department shall develop the form of application that an applicant for a variance must submit. The department may amend the form as it deems appropriate. The application shall contain, at a minimum, the following information:

(1) A detailed description of the requested variance, including citation to the relevant subdivisions specified in Section 113936.

(2) An analysis of the science-based rationale upon which the proposed alternate practice or procedure is based, to include, if and as appropriate, microbial challenge and process validation studies demonstrating how potential health hazards dealt with in those subdivisions that are relevant to the requested variance will be addressed.

(3) A description of the specific procedures, processes, monitoring steps, and other relevant protocols that will be implemented pursuant to the variance to address potential health hazards dealt with in those subdivisions specified in Section 113936 that are relevant to the requested variance.

(4) An HACCP plan, if required pursuant to Section 114430, that includes all applicable information relevant to the requested variance.

(b) An application for a variance shall be submitted to the department, and must be accompanied at the time of submission by the fees specified in subdivision (c).

(c) Each application for a variance shall be accompanied at the time of submission by payment of fees sufficient to pay the necessary costs of the department as specified in Section 113717. Any overpayment by the applicant in excess of the recovery rate and other costs incurred shall

be repaid to the applicant within 30 calendar days after final action is taken by the department on the application.

114417.2. (a) Upon receipt of an application for a variance, the department shall determine whether the application is substantially complete and in compliance with Section 114417.1. Within 45 calendar days after submission of a complete application that complies with Section 114417.1, the department shall determine whether the alternate practice or procedure described in the application is satisfactory and at least the equivalent of the requirements of this part relating to preventing a health hazard.

(b) In the event that the department grants the variance, it shall issue to the applicant a variance letter that shall include, but not be limited to, the information specified in Section 114417.3.

(c) The department shall transmit a copy of its variance letter to all local enforcement agencies.

114417.3. Each variance letter shall include, have attached to it, or reference each of the following:

(a) The information specified in Section 114417.1. That information may be presented verbatim, in summary form, or by means of attachment.

(b) Detailed findings by the department as to the nature and extent of the potential hazards, if any, that might be implicated with respect to the requirements specified in this part, and the manner in which the alternate practice or procedure specified in the variance will address those hazards.

(c) The specifics of any operating restrictions or requirements upon which the granting of the variance is conditioned.

(d) If appropriate, the particular events, locations, and operations for which the variance is granted.

114417.4. A variance letter shall be valid solely with respect to those food facilities, events, locations, and operations expressly set forth and only on the specific terms and conditions upon which the variance is granted. A variance granted by the department shall be binding on every local enforcement agency.

114417.5. The permitholder shall retain a copy of the variance letter on file at the food facility at all times and shall make it available for inspection by the enforcement officer.

114417.6. If the department grants a variance, or if an HACCP plan is required pursuant to Section 114430, the permitholder shall do both of the following:

(a) Comply with the HACCP plan and procedures that are submitted as specified in Section 114430.2 and approved as a condition for the granting of the variance.

(b) Maintain and provide to the enforcement agency, upon request, records specified under a HACCP plan, or otherwise pursuant to the

variance letter, that demonstrate that the following are routinely employed:

- (1) Procedures for monitoring critical control points.
- (2) Monitoring of the critical control points.
- (3) Verification of the effectiveness of an operation or process.
- (4) Necessary corrective actions if there is a failure at a critical control point.

114417.7. (a) The department may suspend or revoke a variance if either of the following occurs:

(1) The department determines that the variance poses a hazard due to changes in scientific knowledge or the nature and extent of any hazard that might result.

(2) There is a finding that the food facility is not complying with specific terms and conditions pursuant to which the variance was granted.

(b) The department may suspend or revoke a variance upon the grounds specified in this section only after giving the permitholder written notice of the proposed suspension or revocation, which shall include the specific reasons why the variance is proposed to be suspended or revoked. The permitholder shall be given an opportunity to be heard, in person, in writing, or through a representative, at least 24 hours before the variance can be suspended or revoked.

#### Article 5. HACCP Exemptions

114419. (a) Food facilities may engage in any of the following activities only pursuant to an HACCP plan as specified in Section 114419.1:

(1) Acidification of potentially hazardous foods to prevent bacterial growth.

(2) Packing potentially hazardous foods in reduced-oxygen packaging for a period that exceeds 10 days.

(3) Storing partially cooked meals in sealed containers at temperatures above 0°F for a period that exceeds 10 days.

(4) Preserving foods by smoking, curing, adding components such as vinegar, or using food additives.

(5) Brewing alcoholic beverages.

(6) Custom processing animals that are for personal use as food and not for sale or service in a food facility.

(7) Preparing food by another method that is determined by the enforcement agency to require an HACCP plan.

(b) Food facilities may engage in the following only pursuant to an HACCP plan that has been approved by the department:



(1) Using acidification or water activity to prevent the growth of *Clostridium botulinum*.

(2) Using molluscan shellfish life support system display tanks to store and display shellfish that are offered for human consumption.

114419.1. For a food facility that is required under Section 114419 to have an HACCP plan, the plan and specifications shall indicate all of the following:

(a) A flow diagram of the specific food for which the HACCP plan is requested, identifying critical control points and providing information on the following:

(1) Ingredients, materials, and equipment used in the preparation of that food.

(2) Formulations or recipes that delineate methods and procedural control measures that address the food safety concerns involved.

(b) A food employee and supervisory training plan that addresses the food safety issues of concern.

(c) A statement of standard operating procedures for the plan under consideration including clearly identifying the following:

(1) Each critical control point.

(2) The critical limits for each critical control point.

(3) The method and frequency for monitoring and controlling each critical control point by the food employee designated by the person in charge.

(4) The method and frequency for the person in charge to routinely verify that the food employee is following standard operating procedures and monitoring critical control points.

(5) Action to be taken by the person in charge if the critical limits for each critical control point are not met.

(6) Records to be maintained by the person in charge to demonstrate that the HACCP plan is properly operated and managed.

(d) Additional scientific data or other information, as required by the department, supporting the determination that food safety is not compromised by the proposal.

114419.2. (a) Applicable HACCP training shall be provided and documented for food employees who work in the preparation of food for which an HACCP plan has been implemented. Training given to food employees shall be documented as to date, trainer, and subject.

(b) Verification of critical limits specified in an HACCP plan shall be conducted by a laboratory approved by the department prior to implementation of the HACCP plan. Documentation of laboratory verification shall be maintained with the HACCP plan for the duration of its implementation.

(c) No verification of the effectiveness of a critical limit shall be required if the critical limits used in the HACCP plan do not differ from the critical limits set forth in this part.

(d) The person operating a food facility pursuant to a HACCP plan shall designate at least one person to be responsible for verification of the HACCP plan. Training for the designated person shall include the seven principles of HACCP and the contents of the HACCP plan as described in Section 114419.1. HACCP training records of the designated person shall be retained for the duration of employment, or a period of not less than two years, whichever is greater.

(e) Critical limit monitoring equipment shall be suitable for its intended purpose and shall be calibrated as specified by its manufacturer. The food facility shall maintain all calibration records for a period not less than two years.

114419.3. (a) Except as specified in Section 114419, nothing in this section shall be deemed to require the enforcement agency to review or approve an HACCP plan.

(b) The enforcement agency shall collect fees sufficient only to cover the costs for review, inspections, and any laboratory samples taken.

(c) An HACCP plan may be disapproved if it does not comply with HACCP principles.

(d) The enforcement agency may suspend or revoke its approval of an HACCP plan without prior notice if the agency finds any of the following:

(1) The plan poses a public health risk due to changes in scientific knowledge or the hazards present.

(2) The food facility does not have the ability to follow its HACCP plan.

(3) The food facility does not consistently follow its HACCP plan.

(e) Within 30 days of written notice of suspension or revocation of approval, the food facility may request a hearing to present information as to why the HACCP plan suspension or revocation should not have taken place or to submit HACCP plan changes.

(f) The hearing shall be held within 15 working days of the receipt of a request for a hearing. Upon written request of the permit holder, the hearing officer may postpone any hearing date, if circumstances warrant that action.

(g) The hearing officer shall issue a written notice of decision within five working days following the hearing. If the decision is to suspend or revoke approval, the reason for suspension or revocation shall be included in the written decision.

114421. (a) Each food facility that identifies a trade secret shall provide in writing to the enforcement agency the information they consider to be a trade secret.

(b) The enforcement agency shall treat as confidential, to the extent allowed by law, information that meets the criteria specified in law for a trade secret and is contained on inspection report forms and in the plans and specifications submitted as specified under Section 114419.1.

114423. A microbial challenge study may be submitted to the enforcement agency for review for purposes of verifying that a food does not constitute a potentially hazardous food.

#### Article 6. Exemptions

114425. Raw duck that otherwise would be readily perishable shall be exempt from Section 113996 for a period not to exceed two hours, if the duck will subsequently be cooked at or above a temperature of 350°F for at least 60 minutes.

(a) Whole Chinese-style roast duck shall be exempt from Section 113996 for a period not to exceed four hours after the duck is prepared, if the methods used to prepare the food inhibit the growth of microorganisms that can cause food infections or food intoxications. Nothing in this section shall be construed to supersede any provisions of this part, except the provisions specified in this section.

(b) For the purposes of this section, “Chinese-style roast duck” shall include, but not be limited to, Chinese-style barbecue duck, dry hung duck, and Peking duck. “Chinese-style roast duck” means duck which is prepared as follows:

- (1) The abdominal cavity is cleaned.
- (2) The duck is marinated.
- (3) The cavity is closed prior to cooking.
- (4) The duck is roasted at a temperature of 350°F or more for at least 60 minutes.

114427. The Mercado La Paloma, located at 3655 South Grand Avenue in Los Angeles, operated by Esperanza Community Housing Corporation, which is a public market open only on one side that meets the following criteria, shall be exempt from Section 114266:

(a) All facilities inside the Mercado La Paloma have overhead protection that extends over all food items.

(b) All facilities inside the Mercado La Paloma are enclosed on at least two sides.

(c) All facilities inside the Mercado La Paloma are under the constant and complete control of the operator.

(d) During periods of inoperation, food, utensils, and related items shall be stored so as to be adequately protected at all times from contamination, exposure to the elements, ingress of vermin, and temperature abuse.

(e) During all hours of operation, air curtains shall be in operation over all unclosed door openings to the outside to exclude flying pests.

114429. (a) Notwithstanding Sections 113996 and 114343 and if permitted by federal law, a food facility may sell Korean rice cakes that have been at room temperature for no more than 24 hours.

(b) At the end of the operating day, Korean rice cakes that have been at room temperature for no more than 24 hours shall be destroyed in a manner approved by the enforcement agency.

(c) For purposes of this section, a “Korean rice cake” is defined as a confection that contains rice powder, salt, sugar, various edible seeds, oil, dried beans, nuts, dried fruits, and dried pumpkin. The ingredient shall not include any animal fats or any other products derived from animals.

(d) All manufacturers of Korean rice cakes shall place a label on the Korean rice cake as prescribed by Section 111223.

#### Article 7. Food Facility Food Donations

114432. Any food facility may donate food to a food bank or to any other nonprofit charitable organization for distribution to persons free of charge.

114433. No food facility that donates food as permitted by Section 114432 shall be subject to civil or criminal liability or penalty for violation of any laws, regulations, or ordinances regulating the labeling or packaging of the donated product or, with respect to any other laws, regulations, or ordinances, for a violation occurring after the time of the donation.

114434. The immunities provided in Section 114433 and by Section 1714.25 of the Civil Code are in addition to any other immunities provided by law, including those provided by Chapter 5 (commencing with Section 58501) of Part 1 of Division 21 of the Food and Agricultural Code.

#### Article 8. Child Day Care Facilities, Community Care Facilities, and Residential Care Facilities for the Elderly

114435. For purposes of this article, the following definitions shall apply:

(a) "Child day care facilities" shall have the same meaning as defined in Section 1596.750.

(b) "Community care facilities" shall have the same meaning as defined in Section 1502.

(c) "Residential care facilities for the elderly" shall have the same meaning as defined in Section 1569.2.

(d) "Residential care facilities for the chronically ill" shall have the same meaning as a "residential care facility" defined in Section 1568.01.

114436. Child day care facilities, community care facilities, residential care facilities for the chronically ill, and residential care facilities for the elderly shall not be deemed to be food facilities, and, therefore, shall be exempt from this part.

114437. If and when a specific appropriation is made available, the State Department of Social Services shall develop new regulations regarding food preparation provisions for child day care facilities, community care facilities, and residential care facilities for the elderly that would carry out the intent of this part to ensure the health and safety of individuals and that would not adversely affect those facilities that are safely operated. In developing proposed food preparation provisions for child day care facilities, the State Department of Social Services shall consult with the department and the State Department of Education.

SEC. 3. This act shall become operative on July 1, 2007.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Moreover, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for other costs, if any, mandated by this act 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.

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## CHAPTER 24

An act to amend Section 14133.23 of the Welfare and Institutions Code, and to amend Section 2 of Chapter 2 of the Statutes of 2006,

relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 15, 2006. Filed with  
Secretary of State May 15, 2006.]

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

SECTION 1. Section 14133.23 of the Welfare and Institutions Code is amended to read:

14133.23. (a) To the extent that federal financial participation is not available, the provision of drug benefits under this chapter to full-benefit dual eligible beneficiaries who are eligible for drug benefits under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a Medicare Advantage-Prescription Drug plan (MA-PD plan) under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.), is eliminated, except as otherwise provided under this section.

(b) (1) Notwithstanding any other provision of law, only drug benefits for which federal financial participation is available shall be provided under this chapter to a full-benefit dual eligible beneficiary, except as otherwise provided under subdivision (c).

(2) As a benefit under this chapter, the department, subject to the approval of the Department of Finance and only to the extent that federal financial participation is available, may elect to provide a drug or drugs in a class of drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) to full-benefit dual eligible beneficiaries.

(3) As a benefit under this chapter, and only to the extent that federal financial participation is available, the department shall provide a drug or drugs to full-benefit dual eligible beneficiaries who are otherwise eligible to receive the drug or drugs due to their entitlement under Title 42 United States Code, Chapter 7, Title XVIII, Part A or their enrollment under Title 42 United States Code, Chapter 7, Title XVIII, Part B.

(4) Except as provided under paragraph (3) and subdivision (c), nothing in this section shall be interpreted to require the department to provide any drug or drugs not covered under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) if federal financial participation is not available.

(c) (1) The department shall review the drug formularies of prescription drug plans under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) available to full-benefit dual eligible beneficiaries.

(2) The department shall develop a process that would allow the department to provide to a full-benefit dual eligible beneficiary, on an emergency basis only, coverage for a drug or drugs not included on the full-benefit dual eligible beneficiary's prescription drug plan's formulary or by prior authorization under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or MA-PD plans under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.) for which federal financial participation is not available.

(3) Only to the extent that the Legislature made a specific appropriation to fund the provision of emergency drug benefits for which federal financial participation is not available to full-benefit dual eligible beneficiaries, the department shall provide, through the process described in paragraph (2), these emergency drug benefits to a full-benefit dual eligible beneficiary only when all of the following conditions are met:

(A) The drug is not available to the full-benefit dual eligible beneficiary under his or her plan's drug formulary or by prior authorization.

(B) The pharmacist provides or dispenses the drug as an emergency service.

(C) The quantity of the drug provided or dispensed is no greater than a 60-day supply.

(D) The pharmacist has not previously provided or dispensed nor has knowledge that another pharmacist has provided or dispensed the same drug for that full-benefit dual eligible beneficiary on or after January 1, 2006.

(E) The date of service is from January 1, 2006, through December 31, 2006, inclusive.

(4) The department may impose a pre- or post-service prepayment or postpayment review or audit, to review the medical necessity of emergency services provided to full-benefit dual eligible beneficiaries.

(d) The department shall seek approval of any amendments to the state plan necessary to implement this section as required by Title XIX of the Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret or make specific this section by means of all county letters, provider bulletins, or similar instructions. Thereafter, the

department may adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) (1) Notwithstanding any other provision of this section, and only to the extent that funds are appropriated for this purpose, the department shall provide on a time-limited basis, as described in paragraphs (7) and (8), drug benefits to a full-benefit dual eligible beneficiary who is not able to obtain drug benefits from his or her Medicare Drug Plan only when one or more of the following conditions are met:

(A) The pharmacy has submitted a claim for the provision of drug benefits to the full-benefit dual eligible beneficiary's Medicare Drug Plan and the claim has been denied payment for reasons other than processing errors or omissions made by the pharmacy, lack of medical necessity, or health or safety reasons.

(B) The pharmacy is unable to submit a claim for the provision of drug benefits solely due to the unavailability of complete or accurate Medicare Drug Plan enrollment information from the full-benefit dual eligible beneficiary's Medicare Drug Plan, the federal Centers for Medicare and Medicaid Services, or entities under contract with the Centers for Medicare and Medicaid Services to provide enrollment information.

(C) The Medicare Drug Plan provides information that the full-benefit dual eligible beneficiary's deductible or copayment amount is higher than the copayment amounts that are established by Medicare for full-benefit dual eligible beneficiaries.

(2) The director may impose a pre- or post-service prepayment or postpayment review or audit to determine whether a pharmacy has accurately and in good faith established the existence of any condition certified by the pharmacy pursuant to subparagraph (A), (B), or (C) of paragraph (1) in support of a submitted claim to the department.

(3) If the claim submitted by the pharmacy to the Medicare Drug Plan meets the circumstances described in subparagraph (C) of paragraph (1), the department shall pay the Medi-Cal rate less the Medicare Drug Plan reimbursement amount and the Medicare copayment amount.

(4) To obtain reimbursement from the department, a pharmacy must be an enrolled provider in the Medi-Cal program and certify on its claims under penalty of perjury that one of the conditions specified in paragraph (1) exists.

(5) The department shall seek reimbursement from the federal government of all funds spent to comply with the provisions of this subdivision.

(6) To the extent that the department reimburses a pharmacy for claims authorized under this subdivision, the director shall have the right to



recover or recoup the full cost expended by the state for that reimbursement from the full-benefit dual eligible beneficiary's Medicare Drug Plan.

(7) Reimbursement for claims authorized under this subdivision shall be limited to those drug benefits provided to a full-benefit dual eligible beneficiary from January 12, 2006, to February 15, 2006, inclusive.

(8) After February 15, 2006, the Governor may, upon notice to the Joint Legislative Budget Committee, extend coverage for drug benefits to a full-benefit dual eligible beneficiary for coverage periods of up to 30 days each. In no event shall the reimbursement authorized by this paragraph extend beyond May 16, 2006.

(9) Any drug benefits made available to full-benefit dual eligible beneficiaries under the authority of this subdivision shall be limited to the funds appropriated by the Legislature to the department for this purpose. These drug benefits shall not be deemed to be an entitlement.

(g) (1) Notwithstanding any other provision of this section, and only to the extent that funds are appropriated for this purpose, beginning May 17, 2006, and ending January 31, 2007, the department shall provide emergency drug benefits to a full-benefit dual eligible beneficiary who is unable to obtain drug benefits from his or her Medicare Drug Plan only when one or more of the following conditions are met:

(A) The pharmacy has submitted a claim for the provision of drug benefits to the full-benefit dual eligible beneficiary's Medicare Drug Plan and the claim has been denied payment due to error by the Medicare Program and the pharmacy has made a good faith effort to resolve the error with the Medicare Drug Plan and the Medicare Program.

(B) The pharmacy is unable to submit a claim for the provision of drug benefits solely due to incomplete or inaccurate Medicare Drug Plan enrollment information from the full-benefit dual eligible beneficiary's Medicare Drug Plan, the federal Centers for Medicare and Medicaid Services, or entities under contract with the Centers for Medicare and Medicaid Services to provide enrollment information, and the pharmacy has attempted to resolve these problems with the Medicare facilitated enrollment contractor and the Medicare Drug Plan, where appropriate.

(C) The Medicare Drug Plan provides information that the full-benefit dual eligible beneficiary's deductible or copayment amount is higher than the copayment amounts that are established by Medicare for full-benefit dual eligible beneficiaries.

(D) Request for prior authorization or exception to the full-benefit dual eligible beneficiary's Medicare Drug Plan is required and was sought by the pharmacist, but the pharmacy does not receive a response within 24 hours for an emergency drug or within 72 hours for a nonemergency drug. When submitting a request for prior authorization

to the department, a pharmacy shall show proof of the submission of the request that was made to either the Medicare Drug Plan or the beneficiary's prescribing physician.

(2) In providing these benefits, the department shall implement prepayment utilization controls, including prior authorization, and may implement postpayment reviews or audits to determine whether a pharmacy has accurately and in good faith established the existence of any condition certified by the pharmacy pursuant to subparagraph (A), (B), (C), or (D) of paragraph (1) in support of a submitted claim to the department.

(3) If the claim submitted by the pharmacy to the Medicare Drug Plan meets the circumstances described in subparagraph (C) of paragraph (1), the department shall pay only the difference between the copayment amount established by Medicare for full-benefit dual eligible beneficiaries and the actual copayment amount charged.

(4) To obtain reimbursement from the department, a pharmacy must be an enrolled provider in the Medi-Cal program and certify on its claims under penalty of perjury that one of the conditions specified in paragraph (1) exists.

(5) To the extent that the department reimburses a pharmacy for claims authorized under this subdivision, the director shall have the right to recover or recoup the full cost expended by the state for that reimbursement from the full-benefit dual eligible beneficiary's Medicare Drug Plan.

(6) Any drug benefits made available to full-benefit dual eligible beneficiaries under the authority of this subdivision shall not be deemed to be an entitlement. Beginning September 1, 2006, the department shall not cover drug benefits when prior authorization or exception to the full-benefit dual eligible beneficiary's Medicare Drug Plan is required, unless that authorization was sought by the physician and the Medicare Drug Plan does not provide a response within 24 hours for an emergency drug or within 72 hours for a nonemergency drug.

(h) (1) For the purposes of this section, a "full-benefit dual eligible beneficiary" means an individual who meets both of the following criteria:

(A) The beneficiary is eligible or would be eligible for coverage for the month for covered Part D drugs under a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(B) Notwithstanding any other provision of this section, the beneficiary is determined eligible for full-scope services, including drug benefits, for which federal financial participation is available.

(2) For the purposes of this section, “Medicare Drug Plan” means a prescription drug plan under Part D of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101 et seq.) or under a MA-PD plan under Part C of Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-21 et seq.).

(i) Subdivisions (a) and (b) and paragraph (3) of subdivision (c) shall become operative on January 1, 2006.

SEC. 2. Section 2 of Chapter 2 of the Statutes of 2006, as amended by Section 2 of Chapter 7 of the Statutes of 2006, is amended to read:

Sec. 2. There is hereby appropriated from the General Fund the sum of one hundred twenty million dollars (\$120,000,000) to the State Department of Health Services to implement subdivisions (f) and (g) of Section 14133.23 of the Welfare and Institutions Code, as amended during the 2006 portion of the 2005–06 Regular Session.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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 ensure that Medi-Cal beneficiaries receive prescription drug benefits without delay or extra cost, it is necessary that this act take effect immediately.

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## CHAPTER 25

An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, relating to transportation, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 15, 2006. Filed with  
Secretary of State May 15, 2006.]

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

SECTION 1. Chapter 12.49 (commencing with Section 8879.20) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.49. THE HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006

Article 1. General Provisions

8879.20. (a) This chapter shall be known as the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

(b) This chapter shall only become operative upon adoption by the voters at the November 7, 2006, statewide general election.

8879.22. As used in this chapter, the following terms have the following meanings:

(a) "Board" means any department receiving an allocation of bond proceeds pursuant to this chapter.

(b) "Committee" means the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee created pursuant to Section 8879.27.

(c) "Fund" means the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 created pursuant to Section 8879.23.

Article 2. Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 and Program

8879.23. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the mobility, safety, and air quality improvements described in this article over the course of the next decade. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter shall be allocated in the following manner:

(a) (1) Four billion five hundred million dollars (\$4,500,000,000) shall be deposited in the Corridor Mobility Improvement Account, which is hereby created in the fund. Funds in the account shall be available to the California Transportation Commission, upon appropriation in the annual Budget Bill by the Legislature, for allocation for performance improvements on highly congested travel corridors in California. Funds in the account shall be used for performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity,

enhancing operations, or otherwise improving travel times within these high-congestion travel corridors, as identified by the department and regional or local transportation agencies, pursuant to the process in paragraph (3) or (4), as applicable.

(2) The commission shall develop and adopt guidelines, by December 1, 2006, including regional programming targets, for the program funded by this subdivision, and shall allocate funds from the account to projects after reviewing project nominations submitted by the Department of Transportation and by regional transportation planning agencies or county transportation commissions or authorities pursuant to paragraph (4).

(3) Subject to the guidelines adopted pursuant to paragraph (2), the department shall nominate, by no later than January 15, 2007, projects for the allocation of funds from the account on a statewide basis. The department's nominations shall be geographically balanced and shall reflect the department's assessment of a program that best meets the policy objectives described in paragraph (1).

(4) Subject to the guidelines adopted pursuant to paragraph (2), a regional transportation planning agency or county transportation commission or authority responsible for preparing a regional transportation improvement plan under Section 14527 may nominate projects identified pursuant to paragraph (1) that best meet the policy objectives described in that paragraph for funding from the account. Projects nominated pursuant to this paragraph shall be submitted to the commission for consideration for funding by no later than January 15, 2007.

(5) All nominations to the California Transportation Commission shall be accompanied by documentation regarding the quantitative and qualitative measures validating each project's consistency with the policy objectives described in paragraph (1). All projects nominated to the commission for funds from this account shall be included in a regional transportation plan.

(6) After review of the project nominations, and supporting documentation, the commission, by no later than March 1, 2007, shall adopt an initial program of projects to be funded from the account. This program may be updated every two years in conjunction with the biennial process for adoption of the state transportation improvement program pursuant to guidelines adopted by the commission. The inclusion of a project in the program shall be based on a demonstration that the project meets all of the following criteria:

(A) Is a high-priority project in the corridor as demonstrated by either of the following: (i) its inclusion in the list of nominated projects by both the department pursuant to paragraph (3) and the regional transportation planning agency or county transportation commission or authority,

pursuant to paragraph (4); or (ii) if needed to fully fund the project, the identification and commitment of supplemental funding to the project from other state, local, or federal funds.

(B) Can commence construction or implementation no later than December 31, 2012.

(C) Improves mobility in a high-congestion corridor by improving travel times or reducing the number of daily vehicle hours of delay, improves the connectivity of the state highway system between rural, suburban, and urban areas, or improves the operation or safety of a highway or road segment.

(D) Improves access to jobs, housing, markets, and commerce.

(7) Where competing projects offer similar mobility improvements to a specific corridor, the commission shall consider additional benefits when determining which project shall be included in the program for funding. These benefits shall include, but are not limited to, the following:

(A) A finding that the project provides quantifiable air quality benefits.

(B) A finding that the project substantially increases the safety for travelers in the corridor.

(8) In adopting a program for funding pursuant to this subdivision, the commission shall make a finding that the program is (i) geographically balanced, consistent with the geographic split for funding described in Section 188 of the Streets and Highways Code; (ii) provides mobility improvements in highly traveled or highly congested corridors in all regions of California; and (iii) targets bond proceeds in a manner that provides the increment of funding necessary, when combined with other state, local or federal funds, to provide the mobility benefit in the earliest possible timeframe.

(9) The commission shall include in its annual report to the Legislature, required by Section 14535, a summary of its activities related to the administration of this program. The summary should, at a minimum, include a description and the location of the projects contained in the program, the amount of funds allocated to each project, the status of each project, and a description of the mobility improvements the program is achieving.

(b) One billion dollars (\$1,000,000,000) shall be made available, upon appropriation in the annual Budget Bill by the Legislature, to the department for improvements to State Route 99. Funds may be used for safety, operational enhancements, rehabilitation, or capacity improvements necessary to improve the State Route 99 corridor traversing approximately 400 miles of the central valley of this state.

(c) Three billion one hundred million dollars (\$3,100,000,000) shall be deposited in the California Ports Infrastructure, Security, and Air Quality Improvement Account, which is hereby created in the fund. The

money in the account shall be available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, as follows:

(1) (A) Two billion dollars (\$2,000,000,000) shall be transferred to the Trade Corridors Improvement Fund, which is hereby created. The money in this fund shall be available, upon appropriation in the annual Budget Bill by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission for infrastructure improvements along federally designated "Trade Corridors of National Significance" in this state or along other corridors within this state that have a high volume of freight movement, as determined by the commission. In determining projects eligible for funding, the commission shall consult the trade infrastructure and goods movement plan submitted to the commission by the Secretary of Business, Transportation and Housing and the Secretary for Environmental Protection. No moneys shall be allocated from this fund until the report is submitted to the commission for its consideration, provided the report is submitted no later than January 1, 2007. The commission shall also consult trade infrastructure and goods movement plans adopted by regional transportation planning agencies, adopted regional transportation plans required by state and federal law, and the statewide port master plan prepared by the California Marine and Intermodal Transportation System Advisory Council (Cal-MITSAC) pursuant to Section 1760 of the Harbors and Navigation Code, when determining eligible projects for funding. Eligible projects for these funds include, but are not limited to, all of the following:

(i) Highway capacity improvements and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(ii) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.

(iii) Projects to enhance the capacity and efficiency of ports.

(iv) Truck corridor improvements, including dedicated truck facilities or truck toll facilities.

(v) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access coordinated border infrastructure funds made available to the state by federal law.

(vi) Surface transportation improvements to facilitate the movement of goods to and from the state's airports.

(B) The commission shall allocate funds for trade infrastructure improvements from the account in a manner that (i) addresses the state's most urgent needs, (ii) balances the demands of various ports (between large and small ports, as well as between seaports, airports, and land ports of entry), (iii) provides reasonable geographic balance between the state's regions, and (iv) places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions. In addition, the commission shall also consider the following factors when allocating these funds:

(i) "Velocity," which means the speed by which large cargo would travel from the port through the distribution system.

(ii) "Throughput," which means the volume of cargo that would move from the port through the distribution system.

(iii) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.

(iv) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.

(C) The commission shall allocate funds made available by this paragraph to projects that have identified and committed supplemental funding from appropriate local, federal or private sources. The commission shall determine the appropriate amount of supplemental funding each project should have to be eligible for moneys from this fund based on a project-by-project review and an assessment of the project's benefit to the state and the program. Except for border access improvements described in clause (v) of subparagraph (A), improvements funded with moneys from this fund shall have supplemental funding that is at least equal to the amount of the contribution from the fund. The commission may give priority for funding to projects with higher levels of committed supplemental funding.

(D) The commission shall include in its annual report to the Legislature, required by Section 14535, a summary of its activities related to the administration of this program. The summary should, at a minimum, include a description and the location of the projects contained in the program, the amount of funds allocated to each project, the status of each project, and a description of the mobility and air quality improvements the program is achieving.



(2) One billion dollars (\$1,000,000,000) shall be made available, upon appropriation by the Legislature and subject to such conditions and criteria contained in a statute enacted by the Legislature, to the State Air Resources Board for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors. Funds made available by this paragraph are intended to supplement existing funds used to finance strategies and public benefit projects that reduce emissions and improve air quality in trade corridors commencing at the state's airports, seaports, and land ports of entry.

(3) One hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, to the Office of Emergency Services to be allocated, as grants, for port, harbor, and ferry terminal security improvements. Eligible applicants shall be publicly owned ports, harbors, and ferryboat and ferry terminal operators, which may submit applications for projects that include, but are not limited to, the following:

- (A) Video surveillance equipment.
- (B) Explosives detection technology, including, but not limited to, X-ray devices.
- (C) Cargo scanners.
- (D) Radiation monitors.
- (E) Thermal protective equipment.
- (F) Site identification instruments capable of providing a fingerprint for a broad inventory of chemical agents.
- (G) Other devices capable of detecting weapons of mass destruction using chemical, biological, or other similar substances.
- (H) Other security equipment to assist in any of the following:
  - (i) Screening of incoming vessels, trucks, and incoming or outbound cargo.
  - (ii) Monitoring the physical perimeters of harbors, ports, and ferry terminals.
  - (iii) Providing or augmenting onsite emergency response capability.
- (I) Overweight cargo detection equipment, including, but not limited to, intermodal crane scales and truck weight scales.
- (J) Developing disaster preparedness or emergency response plans.

The Office of Emergency Services shall report to the Legislature on March 1 of each year on the manner in which the funds available pursuant to this paragraph were expended for that fiscal year.

(d) Two hundred million dollars (\$200,000,000) shall be available, upon appropriation by the Legislature, for schoolbus retrofit and replacement to reduce air pollution and to reduce children's exposure to diesel exhaust.

(e) Two billion dollars (\$2,000,000,000) shall be available for projects in the state transportation improvement program, to augment funds otherwise available for this purpose from other sources. The funds provided by this subdivision shall be deposited in the Transportation Facilities Account which is hereby created in the fund, and shall be available, upon appropriation by the Legislature, to the Department of Transportation, as allocated by the California Transportation Commission in the same manner as funds allocated for those projects under existing law.

(f) (1) Four billion dollars (\$4,000,000,000) shall be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account, which is hereby created in the fund. Funds in the account shall be made available, upon appropriation by the Legislature, to the Department of Transportation for intercity rail projects and to commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.

(2) Of the funds made available in paragraph (1), four hundred million dollars (\$400,000,000) shall be available, upon appropriation by the Legislature, to the department for intercity rail improvements, of which one hundred twenty-five million dollars (\$125,000,000) shall be used for the procurement of additional intercity railcars and locomotives.

(3) Of the funds remaining after the allocations in paragraph (2), 50 percent shall be distributed to the Controller, for allocation to eligible agencies using the formula in Section 99314 of the Public Utilities Code, and 50 percent shall be distributed to the Controller, for allocation to eligible agencies using the formula in Section 99313 of the Public Utilities Code, subject to the provisions governing funds allocated under those sections.

(g) One billion dollars (\$1,000,000,000) shall be deposited in the State-Local Partnership Program Account, which is hereby created in the fund. The funds shall be available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. A dollar for dollar match of local funds shall be required for an applicant transportation agency to receive state funds under this program.

(h) One billion dollars (\$1,000,000,000) shall be deposited in the Transit System Safety, Security, and Disaster Response Account, which is hereby created in the fund. Funds in the account shall be made

available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for capital projects that provide increased protection against a security and safety threat, and for capital expenditures to increase the capacity of transit operators, including waterborne transit operators, to develop disaster response transportation systems that can move people, goods, and emergency personnel and equipment in the aftermath of a disaster impairing the mobility of goods, people, and equipment.

(i) One hundred twenty-five million dollars (\$125,000,000) shall be deposited in the Local Bridge Seismic Retrofit Account, which is hereby created in the fund. The funds in the account shall be used, upon appropriation by the Legislature, to provide the 11.5 percent required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by the Department of Transportation.

(j) (1) Two hundred fifty million dollars (\$250,000,000) shall be deposited in the Highway-Railroad Crossing Safety Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, to the Department of Transportation for the completion of high-priority grade separation and railroad crossing safety improvements. Funds in the account shall be made available for allocation pursuant to the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code, except that a dollar for dollar match of nonstate funds shall be provided for each project, and the limitation on maximum project cost in subdivision (g) of Section 2454 of the Streets and Highways Code shall not be applicable to projects funded with these funds.

(2) Notwithstanding the funding allocation process described in paragraph (1), in consultation with the department and the Public Utilities Commission, the California Transportation Commission shall allocate one hundred million dollars (\$100,000,000) of the funds in the account to high-priority railroad crossing improvements, including grade separation projects, that are not part of the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code. The allocation of funds under this paragraph shall be made in consultation and coordination with the High-Speed Rail Authority created pursuant to Division 19.5 (commencing with Section 185000) of the Public Utilities Code.

(k) (1) Seven hundred fifty million dollars (\$750,000,000) shall be deposited in the Highway Safety, Rehabilitation, and Preservation Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, to the Department of Transportation, as allocated by the California Transportation

Commission, for the purposes of the state highway operation and protection program as described in Section 14526.5.

(2) The department shall develop a program for distribution of two hundred and fifty million dollars (\$250,000,000) from the funds identified in paragraph (1) to fund traffic light synchronization projects or other technology-based improvements to improve safety, operations and the effective capacity of local streets and roads.

(l) (1) Two billion dollars (\$2,000,000,000) shall be deposited in the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, which is hereby created in the fund. The proceeds of bonds deposited into that account shall be available, upon appropriation by the Legislature, for the purposes specified in this subdivision to the Controller for administration and allocation in the fiscal year in which the bonds are issued and sold, including any interest or other return earned on the investment of those moneys, in the following manner:

(A) Fifty percent to the counties, including a city and county, in accordance with the following formulas:

(i) Seventy-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state

(ii) Twenty-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this clause, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(B) Fifty percent to the cities, including a city and county, apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state, provided, however, that the Controller shall allocate a minimum of four hundred thousand dollars (\$400,000) to each city, pursuant to this subparagraph.

(2) Funds received under this subdivision shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(A) In the case of a city, into the city account that is designated for the receipt of state funds allocated for local streets and roads.

(B) In the case of an eligible county, into the county road fund.

(C) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for local streets and roads.

(3) For the purpose of allocating funds under this subdivision to cities and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.

(4) Funds apportioned to a city, county, or city and county under this subdivision shall be used for improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety that may include, but not be limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices, or the maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation funds for similar purposes.

(5) At the conclusion of each fiscal year during which a city or county expends the funds it has received under this subdivision, the Controller may verify the city's or county's compliance with paragraph (4). Any city or county that has not complied with paragraph (4) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (4) shall be reallocated to the other counties and cities whose expenditures are in compliance.

### Article 3. Fiscal Provisions

8879.25. Bonds in the total amount of nineteen billion nine hundred twenty-five million dollars (\$19,925,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.

8879.26. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section

16720) of Part 3 of Division 4), except subdivision (a) of Section 16727 to the extent that subdivision is inconsistent with this chapter, and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8879.27. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is hereby created. For the purposes of this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is “the committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of the Business, Transportation and Housing Agency, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation pursuant to this chapter is designated to be the “board.”

8879.28. Upon request of the board stating that funds are needed for purposes of this chapter, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8879.23, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

8879.29. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

8879.30. Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 8879.32, appropriated without regard to fiscal years.

8879.31. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount withdrawn pursuant to Section 8879.32. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this chapter.

8879.32. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

8879.33. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

8879.34. Notwithstanding any provisions in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

8879.35. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

8879.36. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article

4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

8879.37. All money derived from premium and accrued interest on bonds sold pursuant to this chapter shall be transferred to the General Fund as a credit to expenditures for bond interest.

SEC. 2. Section 1 of this act shall become operative upon the adoption by the voters of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Sections 13115 and 13117 of the Elections Code, the following measures shall be placed on the ballot for the November 7, 2006, statewide general election in the following order:

(a) Senate Constitutional Amendment No. 7 of the 2005–2006 Regular Session shall be placed first on the ballot and shall be designated as Proposition 1A.

(b) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 shall be placed second on the ballot and shall be designated as Proposition 1B.

(c) The Housing and Emergency Shelter Trust Fund Act of 2006 shall be placed third on the ballot and shall be designated as Proposition 1C.

(d) The Kindergarten-University Public Education Facilities Bond Act of 2006 shall be placed fourth on the ballot and shall be designated as Proposition 1D.

(e) The Disaster Preparedness and Flood Prevention Bond Act of 2006 shall be placed fifth on the ballot and shall be designated as Proposition 1E.

SEC. 4. (a) Notwithstanding any other provision of law, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, the words “Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006,” and in the same square under those words, the following in 8-point type:

“This act makes safety improvements and repairs to state highways, upgrades freeways to reduce congestion, repairs local streets and roads, upgrades highways along major transportation corridors, improves seismic safety of local bridges, expands public transit, helps complete the state’s network of car pool lanes, reduces air pollution, and improves anti-terrorism security at shipping ports by providing for a bond issue not to exceed nineteen billion nine hundred twenty-five million dollars (\$19,925,000,000).”



Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

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 bond act in Section 1 of this act to be submitted to the voters at the November 7, 2006, statewide general election, it is necessary for this act to take effect immediately.

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## CHAPTER 26

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

[Approved by Governor May 17, 2006. Filed with  
Secretary of State May 17, 2006.]

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) California's ability to respond to public health emergencies, whether naturally occurring or resulting from terrorism, requires preparation by both state and local health jurisdictions.

(2) The State Department of Health Services is the lead state agency for responding to public health emergencies such as infectious disease emergencies.

(3) Local health jurisdictions are the points of delivery for public health services and, in emergencies, provide response within their capabilities.

(b) It is the intent of the Legislature in enacting this act to bolster California's preparedness for a public health emergency, and its response and recovery efforts in the event of such an emergency.

SEC. 2. (a) There is hereby appropriated four hundred ninety-one thousand dollars (\$491,000) from the General Fund to the State Department of Health Services for the 2005–06 fiscal year to supplement funding provided in Item 4260-001-0001 of the Budget Act of 2005 (Ch. 38, Stats. 2005). This amount shall be apportioned as follows:

(1) Seventy-six thousand dollars (\$76,000) to oversee management of the antiviral supplies, vaccines, and medical supplies that California will need to obtain and distribute during a pandemic.

(2) Four hundred fifteen thousand dollars (\$415,000) to provide expanded capacity in the Microbial Diseases Laboratory and the Viral and Rickettsial Diseases Laboratory to implement new tests to control both old and new infectious diseases, and to purchase a portable Raman Infrared Microscopy System and a portable Gas Chromatographic/Mass Spectroscopy System for the Richmond Campus.

(b) There is hereby appropriated four million nine hundred sixty thousand dollars (\$4,960,000) from the General Fund to the State Department of Health Services for the 2005–06 fiscal year to supplement funding provided in Item 4260-111-0001 of the Budget Act of 2005 (Ch. 38, Stats. 2005). This amount shall be apportioned as follows:

(1) Four hundred sixty thousand dollars (\$460,000) to purchase doses of antiviral supplies used in the prevention or treatment of influenza.

(2) Four million five hundred thousand dollars (\$4,500,000) to strengthen pandemic influenza planning efforts, conduct epidemiologic investigations of infectious and communicable disease outbreaks, and provide epidemiologic and statistical support as requested.

(c) There is hereby appropriated one million six hundred twenty-two thousand dollars (\$1,622,000) from the General Fund to the Emergency Medical Services Authority for the purchase and provision of personal protective equipment, in accordance with Emergency Medical Services Authority guidelines, for firefighter Emergency Medical Technicians and ambulance personnel in the state who demonstrate a need for the equipment and have sought other funding options, including federal homeland security grant funding, but have been unable to secure other funding and who agree, through a contract with the Emergency Medical Services Authority, the local emergency medical services agency, or the local public agency that provides fire protection and emergency medical services, to participate in state and local disaster response. Recipients

of the personal protective equipment shall, pursuant to the contract, be required to replace the equipment, as necessary, and to provide necessary, ongoing training on the use of the personal protective equipment. Nothing in this section shall limit the ability of the Emergency Medical Services Authority, a local emergency medical services agency, or the local public agency that provides fire protection and emergency medical services, to impose additional contract requirements as a condition of receiving this equipment. The Director of the Emergency Medical Services Authority shall give first priority for distribution of the personal protective equipment to those local public agencies that provide fire protection and emergency medical services.

SEC. 3. In order to rapidly implement pandemic influenza planning and preparedness efforts, contracts or other agreements entered into for pandemic influenza planning or preparedness activities with funds appropriated in this act shall not be subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enhance California's preparedness for, and response to, an impending threat of a pandemic influenza, it is necessary that this bill take effect immediately.

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## CHAPTER 27

An act to add Part 12 (commencing with Section 53540) and Part 13 (commencing with Section 53560) to Division 31 of the Health and Safety Code, relating to housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 2006. Filed with  
Secretary of State May 17, 2006.]

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

SECTION 1. The Legislature finds and declares as follows:  
(a) Funding approved by the state's voters in 2002 for greater production of affordable housing in California financed the construction, rehabilitation, or preservation of 17,700 affordable apartments, created

or rehabilitated 9,055 shelter spaces, and helped nearly 18,000 families become or remain homeowners. Nearly all of the voter-approved funding for affordable housing is expected to be awarded by the end of 2006.

(b) Only 14 percent of families statewide are able to afford the median-priced home in California, now estimated at more than five hundred sixty-one thousand dollars (\$561,000). California is home to 21 of the 25 least affordable metropolitan areas in the country for home ownership and 9 of the 10 least affordable counties nationwide for renters.

(c) Increasingly, California working families endure longer commute times as they seek affordable housing outside of the urban areas in which they work. Commute times in each of the state's 10 most populous counties have risen by double-digit percentages over the last 10 years.

(d) California's congestion problems and strain on its transportation system are made worse by the lack of available affordable housing in the state's urban areas. To the extent additional affordable housing can be maintained or provided in the state's urban areas, additional traffic and related expenditures on transportation facilities is avoidable, and allows limited transportation resources to be deployed more efficiently.

SEC. 2. Part 12 (commencing with Section 53540) is added to Division 31 of the Health and Safety Code, to read:

## PART 12. HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2006

### CHAPTER 1. GENERAL PROVISIONS

53540. (a) This part shall be known as the Housing and Emergency Shelter Trust Fund Act of 2006.

(b) This part shall only become operative upon adoption by the voters at the November 7, 2006, statewide general election.

53541. As used in this part, the following terms have the following meanings:

(a) "Board" means the Department of Housing and Community Development for programs administered by the department, and the California Housing Finance Agency for programs administered by the agency.

(b) "Committee" means the Housing Finance Committee created pursuant to Section 53524 and continued in existence pursuant to Section 53548.

(c) "Fund" means the Housing and Emergency Shelter Trust Fund created pursuant to Section 53545.

CHAPTER 2. HOUSING AND EMERGENCY SHELTER TRUST FUND OF  
2006 AND PROGRAM

53545. The Housing and Emergency Shelter Trust Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the housing-related programs described in this chapter over the course of the next decade. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:

(a) (1) One billion five hundred million dollars (\$1,500,000,000) to be deposited in the Affordable Housing Account, which is hereby created in the fund. Notwithstanding Section 13340 of the Government Code, the money in the account shall be continuously appropriated in accordance with the following schedule:

(A) (i) Three hundred forty-five million dollars (\$345,000,000) 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. The priorities specified in Section 50675.13 shall apply to the expenditure of funds pursuant to this clause.

(ii) Fifty million dollars (\$50,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2 for housing meeting the definitions in paragraphs (2) and (3) of subdivision (e) of Section 11139.3 of the Government Code. The department may provide higher per-unit loan limits as necessary to achieve affordable housing costs to the target population. Any funds not encumbered for the purposes of this clause within 30 months of availability shall revert for general use in the Multifamily Housing Program.

(B) One hundred ninety-five million dollars (\$195,000,000) 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, to be used for supportive housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. The Department of Housing and Community Development shall provide for higher per-unit loan limits as reasonably necessary to achieve housing costs affordable to those individuals and households. For purposes of this subparagraph, "supportive housing" means housing with no limit on length of stay, that is occupied by the target population, as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite

services that assist the tenant to retain the housing, improve his or her health status, maximize his or her ability to live, and, when possible, work in the community. The criteria for selecting projects shall give priority to:

(i) Supportive housing for people with disabilities who would otherwise be at high risk of homelessness where the applications represent collaboration with programs that meet the needs of the person's disabilities.

(ii) Projects that demonstrate funding commitments from local governments for operating subsidies or services funding, or both, for five years or longer.

(C) One hundred thirty-five million dollars (\$135,000,000) shall be transferred to the fund created by subdivision (b) of Section 50517.5 to be expended for the programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2.

(D) Three hundred million dollars (\$300,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the Department of Housing and Community Development, to be expended for the purposes of enabling households to become or remain homeowners pursuant to the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except 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.

(E) Two hundred million dollars (\$200,000,000) shall be transferred to the Self-Help Housing Fund created by Section 50697.1. These funds shall be available to the California Housing Finance 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. Up to one hundred million dollars (\$100,000,000) of these funds may be expended pursuant to subdivision (b) of Section 51504.

(F) One hundred million dollars (\$100,000,000) shall be transferred to the Affordable Housing Innovation Fund, which is hereby created in the State Treasury, to be administered by the Department of Housing and Community Development. Funds shall be expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Specific criteria establishing eligibility for and use of the funds shall be established in statute as approved by a 2/3 vote of each house of the Legislature. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert to the

Self-Help Housing Fund created by Section 50697.1 and shall be available for the purposes described in subparagraph (D).

(G) One hundred twenty-five million dollars (\$125,000,000) 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 14.5 (commencing with Section 50860) of Part 1. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert for general use in the CalHome Program.

(H) Fifty million dollars (\$50,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be distributed in the form of capital development grants under the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31. The funds shall be administered by the Department of Housing and Community Development in a manner consistent with the restrictions and authorizations contained in Provision 3 of Item 2240-105-0001 of the Budget Act of 2000, except that any appropriations in that item shall not apply. The competitive system used by the department shall incorporate priorities set by the designated local boards and their input as to the relative merits of submitted applications from within the designated local board's county in relation to those priorities. In addition, the funding limitations contained in this section shall not apply to the appropriation in that budget item.

(2) 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 subdivision for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(3) 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 subdivision, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this subdivision. The first audit shall be conducted no later than one year from voter approval of this part.

(4) In its annual report to the Legislature, the Department of Housing and Community Development shall report how funds that were made available pursuant to this subdivision and allocated in the prior year were expended. The department shall make the report available to the public on its Internet Web site.

(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such

other conditions and criteria as the Legislature may provide in statute, for the following purposes:

(1) For infill incentive grants for capital outlay related to infill housing development and other related infill development, including, but not limited to, all of the following:

(A) No more than two hundred million dollars (\$200,000,000) for park creation, development, or rehabilitation to encourage infill development.

(B) Water, sewer, or other public infrastructure costs associated with infill development.

(C) Transportation improvements related to infill development projects.

(D) Traffic mitigation.

(2) For brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans.

(c) Three hundred million dollars (\$300,000,000) to be deposited in the Transit-Oriented Development Account, which is hereby created in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 50560).

(d) Two hundred million dollars (\$200,000,000) shall be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which is hereby created in the fund. Funds in the account shall be available upon appropriation by the Legislature for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.

### CHAPTER 3. FISCAL PROVISIONS

53546. Bonds in the total amount of two billion eight hundred fifty million dollars (\$2,850,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.



53547. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except subdivision (a) of Section 16727 to the extent that it is inconsistent with this part, and all of the other provisions of that law as amended from time to time apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

53548. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the Housing Finance Committee created pursuant to Section 53524 is continued in existence. For the purposes of this part, the Housing Finance Committee is “the committee” as that term is used in the State General Obligation Bond Law.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application and are not subject to Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(c) For the purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the “board” for programs administered by the department, and the California Housing Finance Agency is the “board” for programs administered by the agency.

53549. Upon request of the board stating that funds are needed for purposes of this part, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Section 53545, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

53550. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

53551. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 53553, appropriated without regard to fiscal years.

53552. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this part. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this part, less any amount withdrawn pursuant to Section 53553. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this part.

53553. For the purpose of carrying out this part, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

53554. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

53555. Notwithstanding any provisions in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this part shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

53556. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

53557. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this part that are subject to investment under Article 4 (commencing

with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

53558. All money derived from premium and accrued interest on bonds sold pursuant to this chapter shall be transferred to the General Fund as a credit to expenditures for bond interest.

SEC. 3. Part 13 (commencing with Section 53560) is added to Division 31 of the Health and Safety Code, to read:

### PART 13. TRANSIT-ORIENTED DEVELOPMENT IMPLEMENTATION PROGRAM

53560. There is hereby established the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development, to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit riderships.

53561. (a) There is hereby created in the State Treasury the Transit-Oriented Development Implementation Fund.

(b) Interest on loans made from the fund shall be deposited in the fund.

(c) All interest, dividends, and pecuniary gains from investments or deposits of moneys in the fund shall accrue to the fund, notwithstanding Section 16305.7 of the Government Code. There shall be paid into the fund all of the following:

(1) Any moneys appropriated and made available by the Legislature for the purposes of the fund.

(2) Any moneys that the department receives in repayment of loans made from the fund, including any interest on loans made from the fund.

(3) Any other moneys that may be made available to the department for the purposes of this part from any other source.

53562. (a) To the extent that funds are available, the department shall make grants to cities, counties, cities and counties, or transit agencies for the provision of infrastructure necessary for the development of higher density uses within close proximity to a transit station, or to facilitate connections between that development and the station.

(b) To the extent that funds are available, the department shall make loans for the development and construction of a housing development project within close proximity to a transit station. To be eligible for a loan, at least 15 percent of the units in the proposed development shall be made available at an affordable rent or at an affordable housing cost to persons of very low or low income for at least 55 years. Developments assisted pursuant to this subdivision shall be on parcels at least a portion of which are located within one-quarter mile of a transit station. A housing development project may include a mixed-use development consisting of residential and nonresidential uses.

(c) As used in this part, "transit station" shall have the same meaning as defined in subdivision (b) of Section 65460.1 of the Government Code.

53563. (a) In ranking applications pursuant to this part, the department shall, among other criteria, consider the extent to which the project or development will increase public transit ridership and minimize automobile trips.

(b) The department shall also grant bonus points to projects or developments that are in an area designated by the appropriate council of governments for infill development as part of a regional plan.

53564. (a) The department may use up to 5 percent of the funds appropriated for the purposes of this part for its costs in administering the programs authorized by this part.

(b) The department may administer the programs pursuant to guidelines that shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

SEC. 4. Section 2 of this act shall become operative upon the adoption by the voters of the Housing and Emergency Shelter Trust Fund Act of 2006.

SEC. 5. Notwithstanding Sections 13115 and 13117 of the Elections Code, the following measures shall be placed on the ballot for the November 7, 2006, statewide general election in the following order:

(a) Senate Constitutional Amendment No. 7 of the 2005-06 Regular Session shall be placed first on the ballot and shall be designated as Proposition 1A.

(b) The Highway Safety, Traffic Reduction, Air Quality and Port Security Act of 2006 shall be placed second on the ballot and shall be designated as Proposition 1B.

(c) The Housing and Emergency Shelter Trust Fund Act of 2006 shall be placed third on the ballot and shall be designated as Proposition 1C.

(d) The Kindergarten-University Public Education Facilities Bond Act of 2006 shall be placed fourth on the ballot and shall be designated as Proposition 1D.

(e) The Disaster Preparedness and Flood Prevention Bond Act of 2006 shall be placed fifth on the ballot and shall be designated as Proposition 1E.

SEC. 6. (a) Notwithstanding any other provision of law, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, exclusively, the words: "Housing and Emergency Shelter Trust Fund Act of 2006" and in the same square under those words, the following in 8-point type: "For the purpose of providing shelters for battered women and their children, clean and safe housing for low-income senior citizens; homeownership assistance for the disabled, military veterans, and working families; and repairs and accessibility improvements to apartment for families and disabled citizens, the state shall issue bonds totaling two billion eight hundred fifty thousand dollars (\$2,850,000,000) paid from existing state funds at an average annual cost of \_\_\_\_\_ dollars (\$\_\_\_\_\_) per year over the \_\_\_\_\_ year life of the bonds. Requires reporting and publication of annual independent audited reports showing use of funds, and limits administration and overhead costs. (The Attorney General shall fill in the blanks in this subdivision with the figures provided by the Legislative Analyst for the annual average cost of the bonds and the number of years required to retire the bonds.)"

Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of

Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the submission of Section 2 of this act to the voters at the November 7, 2006, statewide general election, and to implement other housing and related programs in a timely manner, it is necessary that this act take effect immediately.

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## CHAPTER 28

An act to amend Section 19999.3 of, and to add Sections 20037.6, 20677.5, and 20683.1 to, the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 2006. Filed with  
Secretary of State May 18, 2006.]

*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 2, the California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE) that requires 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 2 (CASE), on October 21, 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 memorandum 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. Section 19999.3 of the Government Code is amended to read:

19999.3. (a) The Legislature finds and declares that this chapter is intended to provide an alternate retirement program for new state employees who are members of the Public Employees' Retirement System pursuant to Section 20281.5 and who, during the 24 months of employment following the date they qualify for membership in the system pursuant to that section, do not make contributions into the defined benefit retirement program.

(b) The Legislature hereby authorizes the development of a retirement program under the Deferred Compensation Plan, the tax-deferred Savings Plan, or any other acceptable defined contribution plan.

(c) The state employees described in subdivision (a) who are employed in positions that are subject to the federal system, as defined in Section 20033, shall contribute to the retirement program 5 percent of compensation, as set forth in Part 3 (commencing with Section 20000), in excess of five hundred thirteen dollars (\$513) per month paid that member for service rendered. The state employer shall pick up the contribution, as authorized by Section 414(h) of the Internal Revenue Code, and shall deduct the contribution from the employee's compensation. The contributions required by this subdivision shall cease when the state employee begins making contributions to the defined benefit retirement program.

(d) State employees hired on or after July 1, 2006, who are represented by State Bargaining Unit 2 and are employed in positions that are subject to the federal system, as defined in Section 20033, shall contribute to the retirement program 6 percent of compensation, as set forth in Part 3 (commencing with Section 20000), in excess of five hundred thirteen dollars (\$513) per month paid that member for service rendered. The state employer shall pick up the contribution, as authorized by Section 414 (h) of the Internal Revenue Code, and shall deduct the contribution from the employee's compensation. The contributions required by this subdivision shall cease when the state employee begins making contributions to the defined benefit retirement program.

(e) (1) "State employees," as used in this section, include employees, as defined in Section 19815.

(2) This section shall not apply to employees of the California State University, the University of California, or the legislative or judicial branch.

(f) If the retirement program authorized by this section is inconsistent with federal laws or rules or becomes unnecessary under state or federal law, this section shall become inoperative.

SEC. 6. Section 20037.6 is added to the Government Code, to read:

20037.6. (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who becomes a state member of the system on or after July 1, 2006, and is represented by State Bargaining Unit 2, means the highest average annual compensation earnable by the member during the consecutive 36-month period immediately preceding the effective date of his or her retirement, or the date of his or her last separation from state service if earlier, or during any other period of 36 consecutive months during his or her state membership that the member designates on the application for retirement.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 2.

(c) This section does not apply to:

(1) Former state employees who return to state employment on or after July 1, 2006.

(2) State employees hired prior to July 1, 2006, who were subject to Section 20281.5 during the first 24 months of state employment.

(3) State employees hired prior to July 1, 2006, who become subject to representation by State Bargaining Unit 2 on or after July 1, 2006.

(4) State employees on an approved leave of absence who return to active employment on or after July 1, 2006.

SEC. 7. Section 20677.5 is added to the Government Code, to read:

20677.5. (a) Notwithstanding any provisions of Section 20677.4 to the contrary, effective with the beginning of the July 2006 pay period, the normal rate of contribution for state miscellaneous or state industrial members who are subject to Section 21354.1, and are represented by State Bargaining Unit 2, shall be:

(1) Seven percent of the compensation in excess of three hundred seventeen dollars (\$317) per month paid to a member whose service is not included in the federal system.

(2) Six percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.



(c) The Director of the Department of Personnel Administration may establish the normal rate of contribution for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of the Department of Personnel Administration but shall be no earlier than the beginning of the pay period following the date the board receives notification.

SEC. 8. Section 20683.1 is added to the Government Code, to read:

20683.1. (a) For each state safety member subject to Section 21369 or 21369.1 who are represented by State Bargaining Unit 2, the normal rate of contribution shall be 7 percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to a member whose service is not included in the federal system beginning with the July 2006 pay period. If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of the memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(b) The Director of the Department of Personnel Administration may establish the normal rate of contribution for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of the Department of Personnel Administration but shall be no earlier than the beginning of the pay period following the date the board receives notification.

SEC. 9. The sum of thirteen million forty-eight thousand dollars (\$13,048,000) 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) Four million, seven hundred twelve thousand dollars (\$4,712,000) from the General Fund in augmentation of Item 9800-001-0001.

(b) Five million, three hundred thirty-five thousand dollars (\$5,335,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(c) Three million, one thousand dollars (\$3,001,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

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 for the provisions of this act to be applicable as soon as possible for 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.

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## CHAPTER 29

An act to add Section 25621 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor May 18, 2006. Filed with  
Secretary of State May 18, 2006.]

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

SECTION 1. Section 25621 is added to the Business and Professions Code, to read:

25621. (a) No person shall purchase, offer for sale, or use any vaporized form of alcohol produced by an alcohol vaporizing device.

(b) For purposes of this section, “alcohol vaporizing device” means any device, machine, or process that mixes spirits, liquor, or other alcohol product with pure oxygen or other gas to produce a vaporized product for the purpose of consumption by inhalation.

(c) (1) Any person who sells or offers for sale any vaporized form of alcohol produced by an alcohol vaporizing device is guilty of a misdemeanor that shall be punishable by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not more than six months, or by both.

(2) Any person who purchases or uses any vaporized form of alcohol produced by an alcohol vaporizing device is subject to a fine of two hundred fifty dollars (\$250).

(d) Any person who possesses, sells, or offers for sale any alcohol vaporizing device shall be guilty of a misdemeanor.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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## CHAPTER 30

An act relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 2006. Filed with  
Secretary of State May 18, 2006.]

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

SECTION 1. (a) Notwithstanding any other provision of law, with respect to Senate Constitutional Amendment No. 7 of the 2005–06 Regular Session, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, the words “Transportation Funding Protection. Legislative Constitutional Amendment.” And in the same square under those words, the following in 8-point type:

“Protects transportation funding for traffic congestion relief projects, safety improvements, and local streets and roads. Prohibits the state sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements. Authorizes loans of these funds only in the case of severe state fiscal hardship. Requires loans of revenues from states sales tax on motor vehicle fuels to be fully repaid within the three years. Restricts loans to no more than twice in any 10-year period. Fiscal Impact: No revenue effect or cost effects. Increases stability of funding to transportation in 2007 and thereafter.”

Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the proposition.

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in

the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely address the manner in which Senate Constitutional Amendment 7 of the 2005–06 Regular Session is to be submitted to the voters at the November 7, 2006, statewide general election, it is necessary for this act to take effect immediately.

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## CHAPTER 31

An act to add Section 21157.7 to, and to add and repeal Sections 21080.12, 21080.14, and 21080.16 of, the Public Resources Code, to add and repeal Section 820.1 of the Streets and Highways Code, and to add and repeal Article 3.5 (commencing with Section 8650) of Chapter 3 of Part 4 of Division 5 of the Water Code, relating to government.

[Approved by Governor May 19, 2006. Filed with  
Secretary of State May 19, 2006.]

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

SECTION 1. Section 21080.12 is added to the Public Resources Code, to read:

21080.12. (a) This division does not apply to the repair of critical levees of the State Plan for Flood Control specified pursuant to Section 8361 of the Water Code within an existing levee footprint to meet standards of public health and safety funded pursuant to Section 5096.821, except as otherwise provided in Section 15300.2 of Title 14 of the California Code of Regulations.

(b) For purposes of undertaking urgent levee repairs, the lead agency shall do all of the following:

(1) Conduct outreach efforts in the vicinity of the project to ensure public awareness of the proposed repair work prior to approval of the project.

(2) To the extent feasible, comply with standard construction practices, including, but not limited to, any rules, guidelines, or regulations adopted by the applicable air district for construction equipment and for control of particulate matter emissions.

(3) To the extent feasible, use equipment powered by emulsified diesel fuel, electricity, natural gas, or ultralow sulfur diesel as an alternative to conventional diesel-powered construction equipment.

(c) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 2. Section 21080.14 is added to the Public Resources Code, to read:

21080.14. (a) The following seismic retrofit projects, as defined by the Department of Transportation's directive dated May 4, 2006, for the structural modification of an existing highway structure or the replacement of a highway structure by a newly constructed highway structure, with substantially the same purpose and capacity as the existing structure, within an existing right-of-way, or immediately adjacent right-of-way, shall be exempt from this division:

(1) The I-880 Fifth Avenue Overhead in Alameda County.

(2) The I-880 High Street Separation Overhead in Alameda County.

(3) The SR 101 Hollister Avenue Overcrossing in Santa Barbara County.

(4) The Schuyler Heim Bridge in Los Angeles County.

(5) The Mojave River Bridge on SR 18 in San Bernardino County.

(b) For a project specified in subdivision (a), the Department of Transportation shall do all of the following:

(1) Conduct outreach efforts in the vicinity of the project to ensure public awareness of the proposed repair work prior to approval of the seismic retrofit project.

(2) To the extent feasible, comply with standard construction practices, including, but not limited to, any rules, guidelines, or regulations adopted by the applicable air district for construction equipment.

(3) Comply with measures for control of particulate matter emissions recommended by the applicable air district.

(4) To the extent feasible, use equipment powered by emulsified diesel fuel, electricity, natural gas, or ultralow sulfur diesel as an alternative to conventional diesel-powered construction equipment.

(c) This section shall remain in effect only until the date that the Director of Transportation certifies to the Secretary of Business, Transportation and Housing that all construction activities for the seismic retrofit projects specified in subdivision (a) are complete, or until June 30, 2010, whichever occurs first, and as of that date is repealed.

SEC. 3. Section 21080.16 is added to the Public Resources Code, to read:

21080.16. (a) This division does not apply to a seismic retrofit project on an existing local bridge, except as otherwise provided in Section 15300.2 of Title 14 of the California Code of Regulations, that is identified pursuant to Section 179.1 of the Streets and Highways Code.

(b) For purposes of undertaking the seismic retrofit project, the lead agency shall do all of the following:

(1) Conduct outreach efforts in the vicinity of the project to ensure public awareness of the proposed project prior to approval of the project.

(2) To the extent feasible, comply with standard construction practices, including, but not limited to, any rules, guidelines, or regulations adopted by the applicable air district for construction equipment and for control of particulate matter emissions.

(3) To the extent feasible, use equipment powered by emulsified diesel fuel, electricity, natural gas, or ultralow sulfur diesel as an alternative to conventional diesel-powered construction equipment.

(c) For purposes of this section an “existing local bridge” means a bridge that is located on a local street or highway.

(d) For purposes of this section a “seismic retrofit project” means a project urgently needed to bring a dangerous and unsafe bridge up to contemporary seismic standards and retaining the same purposes, capacity, and location as the existing bridge.

(e) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, this is enacted before January 1, 2011, deletes or extends that date.

SEC. 4. Section 21157.7 is added to the Public Resources Code, to read:

21157.7. (a) For purposes of this section, a master environmental impact report is a document prepared in accordance with subdivision (c) for the projects described in subdivision (b) that, upon certification, is followed by review of subsequent projects as provided in Sections 21157.1 and 21157.5.

(b) A master environmental impact report may be prepared for a plan adopted by the Department of Transportation for improvements to regional segments of Highway 99 funded pursuant to subdivision (b) of Section 8879.23 of the Government Code, to streamline, coordinate, and improve environmental review.

- (c) The report shall include all of the following:
- (1) A detailed statement as required by Section 21100.
  - (2) A description of the anticipated highway improvements along Highway 99 that would be within the scope of the master environmental impact report, that contains sufficient information about all phases of the Highway 99 construction activities, including, but not limited to, all of the following:
    - (A) The specific types of improvements that will be undertaken.
    - (B) The anticipated location and alternative locations for any of the Highway 99 improvements, including overpasses, bridges, railroad crossings, and interchanges.
    - (C) A capital outlay or capital improvement program, or other scheduling or implementing device that governs the construction activities associated with the Highway 99 improvements.

(d) Notwithstanding Section 21157.6, the master environmental impact report shall not be used for the purposes of this section, if the certification of the master environmental impact report occurred more than seven years prior to the filing of an application for the subsequent project.

SEC. 5 Section 820.1 is added to the Streets and Highways Code, to read:

820.1. (a) The State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities assumed by the department pursuant to Section 326 of, and subsection (a) of Section 327 of, Title 23 of the United States Code.

(b) In any action brought pursuant to the federal laws described in subdivision (a), no immunity from suit may be asserted by the department pursuant to the Eleventh Amendment to the United States Constitution, and any immunity is hereby waived.

(c) The department shall not delegate any of its responsibilities assumed pursuant to the federal laws described in subdivision (a) to any political subdivision of the state or its instrumentalities.

(d) The department shall, no later than January 1, 2008, submit a report to the Legislature that includes the following:

(1) A comparative analysis of the environmental review process under the National Environmental Policy Act (Chapter 55 (commencing with Section 4321) of Title 42 of the United States Code) for the 30 projects, excluding those projects categorically excluded from environmental review, undertaken immediately preceding the enactment of this section that involved the Federal Highway Administration and the environmental review process for all projects undertaken following the enactment of this section that did not involve the Federal Highway Administration. This analysis should address the following:

(A) For each project included in the analysis, the environmental review process under the National Environmental Policy Act, including which state and federal agencies reviewed the environmental documents and the amount of time the documents were reviewed by each agency, shall be described.

(B) The points in the environmental review process under the National Environmental Policy Act when project delays occurred and the nature of the delays.

(C) The time saved in the environmental review process for projects undertaken following the enactment of this section in comparison to the review process for projects undertaken prior to the enactment of this section. The points in the review process when time was saved.

(D) The circumstances when the Federal Highway Administration hindered and facilitated project delivery.

(2) All financial costs incurred by the department to assume the responsibilities pursuant to Section 326 of, and subsection (a) of Section 327 of, Title 23 of the United States Code, including, but not limited to, the following:

(A) Personnel to conduct and review environmental documents and to manage litigation.

(B) Administrative costs.

(C) Litigation.

(3) An explanation of all litigation initiated against the department for the responsibilities assumed pursuant to Section 326 of, and subsection (a) of Section 327 of, Title 23 of the United States Code.

(4) A comparison of all costs and benefits of assuming these responsibilities.

(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. The state shall remain liable for any decisions made or responsibilities assumed and exercised, prior to the repeal of this section under this subdivision, pursuant to applicable federal statutes of limitation for filing citizens' suits in federal court.

(f) Nothing in this section affects the obligation of the department to comply with state and federal law.

SEC. 6. Article 3.5 (commencing with Section 8650) is added to Chapter 3 of Part 4 of Division 5 of the Water Code, to read:



### Article 3.5. Urgent Levee Repair Funded Through General Obligation Bonds

8650. As used in this article, the following terms have the following meaning:

(a) “Consolidated permit or approval” means a permit or approval incorporating the permit or approval conditions pursuant to the program administered by each permitting or approving agency into a single, unified permit or approval document.

(b) “Permit or approval” means any of the following:

(1) A lake or streambed alteration agreement entered into pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code.

(2) An incidental take permit issued pursuant to Article 3 (commencing with Section 2080) of Chapter 1.5 of, or Chapter 10 (commencing with Section 2800) of, Division 3 of the Fish and Game Code.

(3) Waste discharge requirements issued by a regional water quality control board pursuant to Division 7 (commencing with Section 13000).

(4) Any other permit or approval by a permitting or approving agency that participates in a consolidated permit. A permit or approval does not include a certification or decision pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

(c) “Permitting agency” means any of the following:

(1) The Department of Fish and Game.

(2) A regional water quality control board.

(3) The local agency responsible for the administration of the requirements imposed pursuant to Section 13370.5.

(4) A certified unified program agency as provided in Chapter 6.11 (commencing with Section 25404) of Division 20 of the Health and Safety Code.

(5) Any other state, regional, or local permitting agency for the project that participates in a consolidated permit for urgent levee repair.

(d) “Secretary” means the Secretary of the Resources Agency.

(e) “Urgent levee repair” means the repair of critical levees of the State Plan for Flood Control specified pursuant to Section 8361 within the existing levee footprint to meet standards of public health and safety.

8650.6. The secretary shall convene, in a duly noticed public hearing, those permitting agencies with jurisdiction over urgent levee repairs for the purposes of coordinating and issuing unified, consolidated permits for each project for levee repairs funded by the Disaster Preparedness and Flood Prevention Bond Fund of 2006, to reduce or eliminate

unnecessary duplication, overlap, and paperwork associated with those permits.

8650.7. Nothing in this article affects the requirements, duties, or authority established by statute or regulation on a permitting agency.

8650.8. This article shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 7. 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. 8. Sections 2 to 5, inclusive, of this act shall become operative only if the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 is approved by the voters at the November 7, 2006, statewide general election. Sections 1 and 6 of this act shall become operative only if the Disaster Preparedness and Flood Prevention Bond Act of 2006 is approved by the voters at the November 7, 2006, statewide general election.

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## CHAPTER 32

An act to amend Section 143 of, and to add Section 149.7 to, the Streets and Highways Code, relating to transportation.

[Approved by Governor May 19, 2006. Filed with  
Secretary of State May 19, 2006.]

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

SECTION 1. Section 143 of the Streets and Highways Code is amended to read:

143. (a) (1) "Regional transportation agency" means any of the following:

(A) A transportation planning agency as defined in Section 29532 or 29532.1 of the Government Code.

(B) A county transportation commission as defined in Section 130050, 130050.1, or 130050.2 of the Public Utilities Code.

(C) Any other local or regional transportation entity that is designated by statute as a regional transportation agency.

(D) A joint exercise of powers authority as defined in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, with the consent of a transportation planning agency or a county transportation commission for the jurisdiction in which the transportation project will be developed.

(2) "Transportation project" means one or more of the following: planning, design, development, finance, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, or maintenance of highway, public street, rail, or related facilities supplemental to existing facilities currently owned and operated by the department or regional transportation agencies that is consistent with the requirements of paragraph (2) of subdivision (b).

(b) (1) Notwithstanding any other provision of law, only the department, in cooperation with regional transportation agencies, and regional transportation agencies, may solicit proposals, accept unsolicited proposals, negotiate, and enter into comprehensive development lease agreements with public or private entities, or consortia thereof, for transportation projects.

(2) The number of projects authorized pursuant to this section shall be limited to two projects in northern California and two projects in southern California. The California Transportation Commission shall select the candidate projects from projects nominated by the department or a regional transportation agency. No less than two of the selected projects shall be nominated by a regional transportation agency. The projects shall be primarily designed to improve goods movement, including, but not limited to, exclusive truck lanes and rail access and operational improvements. The projects shall address a known forecast demand, as determined by the department or regional transportation agency.

(3) All negotiated lease agreements shall be submitted to the Legislature for approval or rejection. Any approval shall be achieved by the enactment of a statute. Prior to submitting a lease agreement to the Legislature, the department or regional transportation agency shall conduct at least one public hearing at a location at or near the proposed facility for purposes of receiving public comment on the lease agreement. Public comments made during this hearing shall be submitted to the Legislature with the lease agreement.

(c) For the purpose of facilitating those projects, the agreements between the parties may include provisions for the lease of rights-of-way in, and airspace over or under, highways, public streets, rail, or related facilities for the granting of necessary easements, and for the issuance of permits or other authorizations to enable the construction of transportation projects. Facilities subject to an agreement under this

section shall, at all times, be owned by the department or the regional transportation agency, as appropriate. For department projects, the commission shall certify the department's determination of the useful life of the project in establishing the lease agreement terms. In consideration thereof, the agreement shall provide for complete reversion of the leased facility, together with the right to collect tolls and user fees, to the department or regional transportation agency, at the expiration of the lease at no charge to the department or regional transportation agency. At time of reversion, the facility shall be delivered to the department or regional transportation agency, as applicable, in a condition that meets the performance and maintenance standards established by the department and that is free of any encumbrance, lien, or other claims.

(d) (1) The department or a regional transportation agency may exercise any power possessed by it with respect to transportation projects to facilitate the transportation projects pursuant to this section. The department, regional transportation agency, and other state or local agencies may provide services to the contracting entity for which the public entity is reimbursed, including, but not limited to, planning, environmental planning, environmental certification, environmental review, preliminary design, design, right-of-way acquisition, construction, maintenance, and policing of these transportation projects. The department or regional transportation agency, as applicable, shall regularly inspect the facility and require the lessee to maintain and operate the facility according to adopted standards. The lessee shall be responsible for all costs due to development, maintenance, repair, rehabilitation, and reconstruction, and operating costs.

(2) In selecting private entities with which to enter into these agreements, notwithstanding any other provision of law, the department and regional transportation agencies may, but are not limited to, utilizing one or more of the following procurement approaches:

(A) Solicitations of proposals for defined projects and calls for project proposals within defined parameters.

(B) Prequalification and short-listing of proposers prior to final evaluation of proposals.

(C) Final evaluation of proposals based on qualifications, best value, or both. If final evaluation is to be based on best value, the California Transportation Commission shall develop and adopt criteria for making that evaluation prior to evaluation of a proposal.

(D) Negotiations with proposers prior to award.

(E) Acceptance of unsolicited proposals, with issuance of requests for competing proposals.

(3) No agreement entered into pursuant to this section shall infringe on the authority of the department or a regional transportation agency

to develop, maintain, repair, rehabilitate, operate, or lease any transportation project. Lease agreements may provide for reasonable compensation to the leaseholder for the adverse effects on toll revenue or user fee revenue due to the development, operation, or lease of supplemental transportation projects with the exception of any of the following:

(A) Projects identified in regional transportation plans prepared pursuant to Section 65080 of the Government Code and submitted to the commission as of the date the commission selected the project to be developed through a lease agreement, as provided in this section, unless provided by the lease agreement approved by the department or regional transportation agency and the commission.

(B) Safety projects.

(C) Improvement projects that will result in incidental capacity increases.

(D) Additional high-occupancy vehicle lanes or the conversion of existing lanes to high-occupancy vehicle lanes.

(E) Projects located outside the boundaries of a public-private partnership project, to be defined by the lease agreement.

However, compensation to a leaseholder shall only be made after a demonstrable reduction in use of the facility resulting in reduced toll or user fee revenues, and may not exceed the reduction in those revenues.

(e) (1) Agreements entered into pursuant to this section shall authorize the contracting entity to impose tolls and user fees for use of a facility constructed by it, and shall require that over the term of the lease the toll revenues and user fees be applied to payment of the capital outlay costs for the project, the costs associated with operations, toll and user fee collection, administration of the facility, reimbursement to the department or other governmental entity for the costs of services to develop and maintain the project, police services, and a reasonable return on investment. The agreement shall require that, notwithstanding Sections 164, 188, and 188.1, any excess toll or user fee revenue either be applied to any indebtedness incurred by the contracting entity with respect to the project, improvements to the project, or be paid into the State Highway Account, or for all three purposes, except that any excess toll revenue under a lease agreement with a regional transportation agency may be paid to the regional transportation agency for use in improving public transportation in and near the project boundaries.

(2) Lease agreements shall establish specific toll or user fee rates. Any proposed increase in those rates during the term of the agreement shall first be approved by the department or regional transportation agency after at least one public hearing conducted at a location near the proposed or existing facility.

(3) The collection of tolls and user fees for the use of these facilities may be extended by the commission or regional transportation agency at the expiration of the lease agreement. However, those tolls or user fees may not be used for any purpose other than for the improvement, continued operation, or maintenance of the facility.

(4) Toll and user fees may not be charged to noncommercial vehicles with three or fewer axles.

(f) The plans and specifications for each transportation project developed, maintained, repaired, rehabilitated, reconstructed, or operated pursuant to this section shall comply with the department's standards for state transportation projects. The lease agreement shall include performance standards, including, but not limited to, levels of service. The agreement shall require facilities on the state highway system to meet all requirements for noise mitigation, landscaping, pollution control, and safety that otherwise would apply if the department were designing, building, and operating the facility. If a facility is on the state highway system, the facility leased pursuant to this section shall, during the term of the lease, be deemed to be a part of the state highway system for purposes of identification, maintenance, enforcement of traffic laws, and for the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

(g) Failure to comply with the lease agreement in any significant manner shall constitute a default under the agreement and the department or the regional transportation agency, as appropriate, shall have the option to initiate processes to revert the facility to the public agency.

(h) The assignment authorized by subdivision (c) of Section 130240 of the Public Utilities Code is consistent with this section.

(i) A lease to a private entity pursuant to this section is deemed to be public property for a public purpose and exempt from leasehold, real property, and ad valorem taxation, except for the use, if any, of that property for ancillary commercial purposes.

(j) Nothing in this section is intended to infringe on the authority to develop high-occupancy toll lanes pursuant to Section 149.4, 149.5, or 149.6.

(k) Nothing in this section shall be construed to allow the conversion of any existing nontoll or non-user-fee lanes into tolled or user fee lanes with the exception of a high-occupancy vehicle lane that may be operated as a high-occupancy toll lane for vehicles not otherwise meeting the requirements for use of that lane.

(l) The lease agreement shall require the lessee to provide any information or data requested by the California Transportation Commission or the Legislative Analyst. The commission, in cooperation with the Legislative Analyst, shall annually prepare a report on the

progress of each project and ultimately on the operation of the resulting facility. The report shall include, but not be limited to, a review of the performance standards, a financial analysis, and any concerns or recommendations for changes in the future.

(m) No lease agreements may be entered into under this section on or after January 1, 2012.

(n) To the extent that the design-build procurement method is utilized for the award of construction or design contracts for projects authorized under this section, those contracts shall be subject to the requirements, parameters, and processes set forth in Chapter 6.5 (commencing with Section 6800) of Part 1 of Division 2 of the Public Contract Code, if that chapter is added by either Assembly Bill 143 of the 2005–06 Regular Session or Senate Bill 59 of the 2005–06 Regular Session.

SEC. 2. Section 149.7 is added to the Streets and Highways Code, to read:

149.7. (a) A regional transportation agency, as defined in Section 143, in cooperation with the department, may apply to the commission to develop and operate high-occupancy toll lanes, including the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit, consistent with the established standards, requirements, and limitations that apply to those facilities in Sections 149, 149.1, 149.3, 149.4, 149.5 and 149.6.

(b) The commission shall review each application for the development and operation of the facilities described in subdivision (a) according to eligibility criteria established by the commission. For each eligible application, the commission shall conduct at least one public hearing in northern California and one in southern California.

(c) Following public hearings, the commission shall submit an eligible application and any public comments made during the hearings to the Legislature for approval or rejection. Approval shall be achieved by the enactment of a statute. The number of facilities approved under this section shall not exceed four, two in northern California and two in southern California.

(d) A regional transportation agency that develops or operates a facility, or facilities, described in subdivision (a) shall provide any information or data requested by the commission or the Legislative Analyst. The commission, in cooperation with the Legislative Analyst, shall annually prepare a report on the progress of the development and operation of a facility authorized under this section. The commission may submit this report as a section in its annual report to the Legislature required pursuant to Section 14535 of the Government Code.

(e) No applications may be approved under this section on or after January 1, 2012.

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## CHAPTER 33

An act to add Chapter 1.699 (commencing with Section 5096.800) to Division 5 of the Public Resources Code, relating to financing disaster preparedness and flood prevention projects, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 19, 2006. Filed with  
Secretary of State May 19, 2006.]

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

SECTION 1. Chapter 1.699 (commencing with Section 5096.800) is added to Division 5 of the Public Resources Code, to read:

### CHAPTER 1.699. DISASTER PREPAREDNESS AND FLOOD PREVENTION BOND ACT OF 2006

#### Article 1. General Provisions

5096.800. This chapter shall be known and may be cited as the Disaster Preparedness and Flood Prevention Bond Act of 2006.

#### Article 2. Definitions

5096.805. Unless the context otherwise requires, the definitions set forth in this article govern the construction of this chapter.

- (a) "Board" means the Reclamation Board or successor entity.
- (b) "Committee" means the Disaster Preparedness and Flood Prevention Bond Finance Committee, created by Section 5096.957.
- (c) "Delta" means the area of the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code.
- (d) "Department" means the Department of Water Resources.
- (e) "Facilities of the State Plan of Flood Control" means the levees, weirs, channels, and other features of the federal and state authorized flood control facilities located in the Sacramento and San Joaquin River drainage basin for which the board or the department has given the



assurances of nonfederal cooperation to the United States required for the project, and those facilities identified in Section 8361 of the Water Code.

(f) "Fund" means the Disaster Preparedness and Flood Prevention Bond Fund of 2006, created by Section 5096.806.

(g) "Project levees" means the levees that are part of the facilities of the State Plan of Flood Control.

(h) "Restoration" means the improvement of a physical structure or facility and, in the case of natural system and landscape features includes, but is not limited to, a project for the control of erosion, the control and elimination of exotic species, including prescribed burning, fuel hazard reduction, fencing out threats to existing or restored natural resources, road elimination, and other plant and wildlife habitat improvement to increase the natural system value of the property. A restoration project shall include the planning, monitoring, and reporting necessary to ensure successful implementation of the project objectives.

(i) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(j) "State Plan of Flood Control" means the state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations of the Sacramento River Flood Control Project described in Section 8350 of the Water Code, and of flood control projects in the Sacramento River and San Joaquin River watersheds authorized pursuant to Article 2 (commencing with Section 12648) of Chapter 2 of Part 6 of Division 6 of the Water Code for which the board or the department has provided the assurances of nonfederal cooperation to the United States, which shall be updated by the department and compiled into a single document entitled "The State Plan of Flood Control."

(k) "Urban area" means any contiguous area in which more than 10,000 residents are protected by project levees.

### Article 3. Disaster Preparedness and Flood Prevention Bond Fund of 2006

5096.806. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Disaster Preparedness and Flood Prevention Bond Fund of 2006, which is hereby created.

### Article 4. Disaster Preparedness and Flood Prevention Program

5096.820. (a) The sum of four billion ninety million dollars (\$4,090,000,000) shall be available, upon appropriation therefor, for disaster preparedness and flood prevention projects pursuant to this article.

(b) In expending funds pursuant to this article, the Governor shall do all of the following:

(1) Secure the maximum feasible amounts of federal and local matching funds to fund disaster preparedness and flood prevention projects in order to ensure prudent and cost-effective use of these funds to the extent that this does not prohibit timely implementation of this article.

(2) Prioritize project selection and project design to achieve maximum public benefits from the use of these funds.

(3) In connection with the submission of the annual Governor's Budget, submit an annual Bond Expenditure Disaster Preparedness and Flood Prevention Plan that describes in detail the proposed expenditures of bond funds, the amount of federal appropriations and local funding obtained to fund disaster preparedness and flood prevention projects to match those expenditures, and an investment strategy to meet long-term flood protection needs and minimize state taxpayer liabilities from flooding.

5096.821. Three billion dollars (\$3,000,000,000) shall be available, upon appropriation to the department, for the following purposes:

(a) The evaluation, repair, rehabilitation, reconstruction, or replacement of levees, weirs, bypasses, and facilities of the State Plan of Flood Control by all of the following actions:

(1) Repairing erosion sites and removing sediment from channels or bypasses.

(2) Evaluating and repairing levees and any other facilities of the State Plan of Flood Control.

(3) Implementing mitigation measures for a project undertaken pursuant to this subdivision. The department may fund participation in a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code to facilitate projects authorized by this subdivision.

(b) Improving or adding facilities to the State Plan of Flood Control to increase levels of flood prevention for urban areas, including all related costs for mitigation and infrastructure relocation. Funds made available by this subdivision may be expended for state financial participation in federal and state authorized flood control projects, feasibility studies and design of federal flood damage reduction and related projects, and reservoir reoperation and groundwater flood storage projects. Not more than two hundred million dollars (\$200,000,000) may be expended on

a single project, excluding authorized flood control improvements to Folsom Dam.

- (c) (1) To reduce the risk of levee failure in the delta.
- (2) The funds made available for the purpose specified in paragraph (1) shall be expended for both of the following purposes:

- (A) Local assistance under the delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6 of the Water Code, as that part may be amended.

- (B) Special flood protection projects under Chapter 2 (commencing with Subdivision 12310) of Part 4.8 of Division 6 of the Water Code, as that chapter may be amended.

5096.824. (a) Five hundred million dollars (\$500,000,000) shall be available, upon appropriation to the department, for payment for the state's share of the nonfederal costs, and related costs, of flood control and flood prevention projects authorized under any of the following:

- (1) The State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6 of the Water Code).

- (2) The Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6 of the Water Code).

- (3) The California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code).

(b) The costs described in subdivision (a) include costs incurred in connection with either of the following:

- (1) The granting of credits or loans to local agencies, as applicable, pursuant to Sections 12585.3, 12585.4 of, subdivision (d) of Section 12585.5 of, and Sections 12866.3 and 12866.4 of, the Water Code.

- (2) The implementation of Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6 of the Water Code.

(c) The funds made available by this section shall be allocated only to projects that are not part of the State Plan of Flood Control.

5096.825. Two hundred ninety million dollars (\$290,000,000) shall be available, upon appropriation, for the protection, creation, and enhancement of flood protection corridors and bypasses through any of the following actions:

- (a) Acquiring easements and other interests in real property to protect or enhance flood protection corridors and bypasses while preserving or enhancing the agricultural use of the real property.

- (b) Constructing new levees necessary for the establishment of a flood protection corridor or bypass.

(c) Setting back existing flood control levees, and in conjunction with undertaking those setbacks, strengthening or modifying existing levees and weirs.

(d) Relocating or flood proofing structures necessary for the establishment of a flood protection corridor.

(e) Acquiring interests in, or providing incentives for maintaining agricultural uses of, real property that is located in a flood plain that cannot reasonably be made safe from future flooding.

(f) Acquiring easements and other interests in real property to protect or enhance flood protection corridors while preserving or enhancing the wildlife value of the real property.

(g) Flood plain mapping and related activities, including both of the following:

(1) The development of flood hazard maps, including all necessary studies and surveys.

(2) Alluvial fan flood plain mapping.

5096.827. Three hundred million dollars (\$300,000,000) shall be available, upon appropriation to the department, for grants for stormwater flood management projects that meet all of the following requirements:

(a) Have a nonstate cost share of not less than 50 percent.

(b) Are not part of the State Plan of Flood Control.

(c) Are designed to manage stormwater runoff to reduce flood damage and where feasible, provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration.

(d) Comply with applicable regional water quality control plans.

(e) Are consistent with any applicable integrated regional water management plan.

5096.828. Funds provided by this article are only available for appropriation until July 1, 2016, and at that time the amount of indebtedness authorized by this chapter shall be reduced by the amount of funds provided by this article that have not been appropriated.

#### Article 16. Program Expenditures

5096.953. The Secretary of the Resources Agency shall provide for an independent audit of expenditures pursuant to this chapter to ensure that all moneys are expended in accordance with the requirements of this chapter. The secretary shall publish a list of all program and project expenditures pursuant to this chapter not less than annually, in written form, and shall post an electronic form of the list on the Resources Agency's Internet Web site.

## Article 17. Fiscal Provisions

5096.955. (a) Bonds in the total amount of four billion ninety million dollars (\$4,090,000,000), not including the amount of any refunding bonds issued in accordance with Section 5096.966, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

5096.956. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

5096.957. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is hereby created. For the purposes of this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

5096.958. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter to carry out this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5096.959. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay

the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

5096.960. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out Section 5096.963, appropriated without regard to fiscal years.

5096.961. The department may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The department shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the department in accordance with this chapter.

5096.962. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

5096.963. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the

Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

5096.964. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5096.965. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded through this bond act.

5096.966. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

5096.967. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. (a) Section 1 of this act shall become operative upon the adoption by the voters of the Disaster Preparedness and Flood Prevention Bond Act of 2006, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Sections 13115 and 13117 of the Elections Code, the following measures shall be placed on the ballot for the November 7, 2006, statewide general election in the following order:

(a) Senate Constitutional Amendment No. 7 of the 2005–06 Regular Session shall be placed first on the ballot and shall be designated as Proposition 1A.

(b) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 shall be placed second on the ballot and shall be designated as Proposition 1B.

(c) The Housing and Emergency Shelter Trust Fund Act of 2006 shall be placed third on the ballot and shall be designated as Proposition 1C.

(d) The Kindergarten-University Public Education Facilities Bond Act of 2006 shall be placed fourth on the ballot and shall be designated as Proposition 1D.

(e) The Disaster Preparedness and Flood Prevention Bond Act of 2006 shall be placed fifth on the ballot and shall be designated as Proposition 1E.

SEC. 4. (a) Notwithstanding any other provision of law, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, exclusively, the words: "Disaster Preparedness and Flood Prevention Bond Act of 2006" and in the same square under those words, the following in 8-point type:

"This act rebuilds and repairs California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides; it protects California's drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms; by authorizing a \$4.09 billion dollar bond act."

Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choices by means thereof are in compliance with this section.

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 provide for the submission of Section 1 of this act to the voters at the November 7, 2006, statewide general election, and to provide for improved disaster preparedness and flood prevention, as soon as possible, it is necessary that this act take effect immediately.

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## CHAPTER 34

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



[Approved by Governor May 19, 2006. Filed with  
Secretary of State May 19, 2006.]

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

SECTION 1. (a) The sum of five hundred million dollars (\$500,000,000) is hereby appropriated from the General Fund to the Department of Water Resources for levee evaluation and repair and related work, and flood control system improvements.

(b) Notwithstanding any other provision of law, including Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code, levee repairs for those critical levee erosion sites identified under Governor's Executive Order S-01-06 shall be made with funds appropriated pursuant to this section.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to reduce the threat of potential flood damage and loss of life, it is necessary that this act take immediate effect.

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## CHAPTER 35

An act to amend Sections 17070.40, 17072.35, 17075.10, 17078.52, 17078.53, 17078.54, 17078.56, 17078.58, 17261, and 81130.3 of, to add Sections 17070.96, 17072.11, and 81052 to, to add Article 13 (commencing with Section 17078.70) and Article 14 (commencing with Section 17079) to Chapter 12.5 of Part 10 of, and to add Part 69 (commencing with Section 101000) to, the Education Code, to amend Section 65997 of the Government Code, to amend Section 4 of Chapter 421 of the Statutes of 2001, and to amend Section 4 of Chapter 637 of the Statutes of 2002, relating to education facilities, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 2006. Filed with  
Secretary of State May 20, 2006.]

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

SECTION 1. Section 17070.40 of the Education Code is amended to read:

17070.40. (a) (1) A fund is hereby established in the State Treasury to be known as the 1998 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated without regard to fiscal years for expenditure pursuant to this chapter.

(2) The board may apportion funds to school districts for the purposes of this chapter from funds transferred to the 1998 State School Facilities Fund from any source.

(3) The board may make apportionments in amounts not exceeding those funds on deposit in the 1998 State School Facilities Fund, and any amount of bonds authorized by the committee, but not yet sold by the Treasurer.

(4) The board may make disbursements pursuant to any apportionment made from any funds in the 1998 State School Facilities Fund, irrespective of whether there exists at the time of the disbursement an amount in the 1998 State School Facilities Fund sufficient to permit payment in full of all apportionments previously made. However, no disbursement shall be made from any funds required by law to be transferred to the General Fund.

(b) (1) A fund is hereby established in the State Treasury to be known as the 2002 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated without regard to fiscal years for expenditure pursuant to this chapter.

(2) The board may apportion funds to school districts for the purposes of this chapter from funds transferred to the 2002 State School Facilities Fund from any source.

(3) The board may make apportionments in amounts not exceeding those funds on deposit in the 2002 State School Facilities Fund, and any amount of bonds authorized by the committee, but not yet sold by the Treasurer.

(4) The board may make disbursements pursuant to any apportionment made from any funds in the 2002 State School Facilities Fund, irrespective of whether there exists at the time of the disbursement an amount in the 2002 State School Facilities Fund sufficient to permit payment in full of all apportionments previously made. However, no

disbursement shall be made from any funds required by law to be transferred to the General Fund.

(c) (1) A fund is hereby established in the State Treasury to be known as the 2004 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated without regard to fiscal years for expenditure pursuant to this chapter.

(2) The board may apportion funds to school districts for the purposes of this chapter from funds transferred to the 2004 State School Facilities Fund from any source.

(3) The board may make apportionments in amounts not exceeding those funds on deposit in the 2004 State School Facilities Fund, and any amount of bonds authorized by the committee, but not yet sold by the Treasurer.

(4) The board may make disbursements pursuant to any apportionment made from any funds in the 2004 State School Facilities Fund, irrespective of whether there exists at the time of the disbursement an amount in the 2004 State School Facilities Fund sufficient to permit payment in full of all apportionments previously made. However, no disbursement shall be made from any funds required by law to be transferred to the General Fund.

(d) (1) A fund is hereby established in the State Treasury, to be known as the 2006 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated without regard to fiscal years for expenditure pursuant to this chapter.

(2) The board may apportion funds to school districts for the purposes of this chapter from funds transferred to the 2006 State School Facilities Fund from any source.

(3) The board may make apportionments in amounts not exceeding those funds on deposit in the 2006 State School Facilities Fund, and any amount of bonds authorized by the committee, but not yet sold by the Treasurer.

(4) The board may make disbursements pursuant to any apportionment made from any funds in the 2006 State School Facilities Fund, irrespective of whether there exists at the time of the disbursement an amount in the 2006 State School Facilities Fund sufficient to permit payment in full of all apportionments previously made. However, no disbursement shall be made from any funds required by law to be transferred to the General Fund.

SEC. 2. Section 17070.96 is added to the Education Code, to read:

17070.96. As part of its application for funding under this chapter, a school district shall certify that it has considered the feasibility of using designs and materials for the construction or modernization project that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

SEC. 3. Section 17072.11 is added to the Education Code, to read:

17072.11. (a) All of the following shall apply on and after July 1, 2006, until January 1, 2008:

(1) The per-unhoused-pupil grant eligibility determined under paragraphs (1) and (2) of subdivision (a) of Section 17072.10 shall be increased by 7 percent.

(2) The per-unhoused-pupil grant eligibility determined under paragraph (3) of subdivision (a) of Section 17072.10 shall be increased by 4 percent.

(3) The board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility determined under this article and the per-pupil cost of new school construction for elementary, middle, and high school pupils.

(b) On or after January 1, 2008, the board shall increase or decrease the per-unhoused-pupil grant eligibility by amounts it deems necessary to cause the grants to correspond to costs of new school construction, provided that the increase in any fiscal year pursuant to this section shall not exceed 6 percent.

SEC. 4. Section 17072.35 of the Education Code is amended to read:

17072.35. A grant for new construction may be used for any and all costs necessary to adequately house new pupils in any approved project, and those costs may only include the cost of design, engineering, testing, inspection, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing schoolsite, demolition, construction, acquisition and installation of portable classrooms, landscaping, necessary utility costs, utility connections and other fees, equipment including telecommunication equipment to increase school security, furnishings, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A grant for new construction may also be used to acquire an existing government or privately owned building, or a privately financed school building, and for the necessary costs of converting the government or privately owned building for public school use. A grant for new construction may also be used for the costs of designs and

materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

SEC. 5. Section 17075.10 of the Education Code is amended to read:

17075.10. (a) A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

(b) A school district applying for hardship state funding under this article shall comply with either paragraph (1) or (2).

(1) Demonstrate both of the following:

(A) That due to extreme financial, disaster-related, or other hardship the school district has unmet need for pupil housing.

(B) That the school district is not financially capable of providing the matching funds otherwise required for state participation, that the district has made all reasonable efforts to impose all levels of local debt capacity and development fees, and that the school district is, therefore, unable to participate in the program pursuant to this chapter except as set forth in this article.

(2) Demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50 percent state share basis from any funds reserved for that purpose in any bond approved by the voters after January 1, 2006. If the board determines that the seismic mitigation work of a school building would require funding that is greater than 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.

(c) The board shall review the increased costs that may be uniquely associated with urban construction and shall adjust the per-pupil grant for new construction or modernization hardship applications as necessary to accommodate those costs. The board shall adopt regulations setting forth the standards, methodology, and a schedule of allowable adjustments, for the urban adjustment factor established pursuant to this subdivision.

SEC. 6. Section 17078.52 of the Education Code is amended to read:

17078.52. (a) There is hereby established the Charter Schools Facilities Program to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils.

(b) (1) The 2002 Charter School Facilities Account is hereby established within the 2002 State School Facilities Fund established pursuant to subdivision (b) of Section 17070.40. The proceeds of bonds, as set forth in subparagraph (A) of paragraph (1) of subdivision (a) of Section 100620, shall be deposited into the 2002 Charter School Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.

(2) The 2004 Charter School Facilities Account is hereby established within the 2004 State School Facilities Fund established pursuant to subdivision (c) of Section 17070.40. The proceeds of bonds, as set forth in subparagraph (A) of paragraph (1) of subdivision (a) of Section 100820, if approved by the voters, shall be deposited into the 2004 Charter School Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.

(3) The 2006 Charter School Facilities Account is hereby established within the 2006 State School Facilities Fund established pursuant to subdivision (d) of Section 17070.40. The proceeds of bonds, as set forth in paragraph (2) of subdivision (a) of Section 101012, if approved by the voters, shall be deposited into the 2006 Charter School Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.

(c) As used in this article, the following terms have the following meanings:

(1) "Authority" means the California School Finance Authority established pursuant to Section 17172.

(2) "Account" means the pertinent account established under subdivision (b).

(3) "Preliminary apportionment" means an apportionment made for eligible applicants under this article in advance of full compliance with all of the application requirements otherwise required for an apportionment pursuant to this chapter. The process for making preliminary apportionments under this article shall be substantially identical to the process established for critically overcrowded schools pursuant to Sections 17078.22 to 17078.30, inclusive.

(4) "Financially sound" means a charter school that has demonstrated, over a period of time determined by the authority, but not less than 24

months immediately preceding the submission of the application, that it has operated as a financially capable concern in California, as measured by criteria established by the authority. A charter school that cannot demonstrate that it has been a financially capable concern for at least 24 months immediately preceding the submission of the application, due solely to not having operated as a charter school for at least 24 months, may meet this 24-month requirement if the charter school is managed by staff who have at least 24 months of documented experience, as measured by criteria established by the authority and the charter school has an educational plan, financial resources, facilities expertise, management expertise, and has been a financially capable concern for at least 24 months, as established by the authority.

(d) The board shall, from time to time, transfer funds within the account to the California School Finance Authority Fund for the purposes of this article pursuant to the request of the authority as set forth in this article.

SEC. 7. Section 17078.53 of the Education Code is amended to read:

17078.53. (a) The initial preliminary applications for projects to be funded pursuant to this article shall be submitted to the board by March 31, 2003. Thereafter, the board may establish subsequent application periods as needed.

(b) Preliminary applications may be submitted by eligible applicants as set forth in this article by either of the following:

(1) A school district on behalf of a charter school that is physically located within the geographical jurisdiction of the school district.

(2) A charter school on its own behalf if the charter school has notified both the superintendent and the governing board of the school district in which it is physically located of its intent to do so in writing at least 30 days prior to submission of the preliminary application.

(c) A preliminary application shall demonstrate either of the following:

(1) That a charter petition for the school for which the application is submitted has been granted by the appropriate chartering entity prior to the application deadline determined by the board.

(2) That an already existing charter has been amended to include the school for which the application is submitted and approved by the appropriate chartering entity prior to the deadline determined by the board.

(d) A preliminary application shall include either of the following:

(1) For a preliminary application submitted pursuant to paragraph (1) of subdivision (b), the number of unhoused pupils determined pursuant to Article 3 (commencing with Section 17071.75) that will be housed by the project for which the preliminary application has been submitted.

(2) For a preliminary application submitted pursuant to paragraph (2) of subdivision (b), a certification from the governing board of the district within which the charter school is physically located of the number of unhoused pupils for that district determined pursuant to Article 3 (commencing with Section 17071.75) that will be housed by the project for which the preliminary application has been submitted.

(e) Prior to submitting a preliminary application, the school district and charter school shall consider existing school district facilities in accordance with Section 47614.

(f) The board, after consideration of the recommendations of the authority regarding whether a charter school is financially sound, shall approve the preliminary application and shall make the preliminary apportionment for funding pursuant to this article.

(g) (1) The board shall establish a process to ensure that pupil attendance in a charter school that is physically located within the geographical jurisdiction of a school district is counted as per-pupil eligibility for that school district and to ensure that the same per-pupil attendance is not so counted for any other school district or other applicant under this chapter.

(2) (A) Except as provided pursuant to subparagraph (B) and notwithstanding subdivision (b) of Section 17071.75, the number of pupils for which facilities are provided under this article shall not be included in the sum determined under subdivision (b) of Section 17071.75.

(B) The number of unhoused pupils determined pursuant to subdivision (d) that will be housed by the project for which a preliminary application has been submitted shall be included in the sum determined under subdivision (b) of Section 17071.75.

(h) The board shall establish a process to be used for release of funds for approved projects pursuant to this article. Notwithstanding Section 17072.30, the board may provide for the release of planning and site acquisition funds prior to the approval of the project by the Department of General Services pursuant to the Field Act, as defined in Section 17281.

SEC. 8. Section 17078.54 of the Education Code is amended to read: 17078.54. (a) An eligible project under this article shall include funding, as permitted by this chapter, for new construction or rehabilitation of a school facility for charter school pupils, as set forth in this article. A project may include, but is not limited to, the cost of retrofitting an existing building for charter school purposes, purchasing a building, or retrofitting a building that has been purchased by the charter school, if those costs have not been previously funded under this chapter, but may not exceed the amounts set forth in subdivision (b). Existing



school buildings made available by a school district that will be rehabilitated for the purposes of this article are not subject to Article 6 (commencing with Section 17073.10). An allocation of funds shall not be made for a school facility that is less than 15 years old.

(b) The maximum amount of the funding pursuant to this article shall be determined by calculating the charter school's per-pupil grant amount plus other allowable costs as set forth in this chapter. Funding shall be provided by the authority for new facility construction or rehabilitation as set forth in Section 17078.58.

(c) To be funded under this article, a project shall comply with all of the following:

(1) It shall meet all the requirements regarding public school construction, plan approvals, toxic substance review, site selection, and site approval, as would any noncharter school project of a school district under this chapter, including, but not limited to, regulations adopted by the State Architect pursuant to Section 17280.5 relating to the retrofitting of existing buildings, as applicable.

(2) Notwithstanding any provision of law to the contrary, including, but not limited to paragraph (1), the board, after consulting with the relevant regulatory agencies, shall, to the extent feasible, adopt regulations establishing a process for projects to be subject to a streamlined method for obtaining regulatory approvals for all requirements described in paragraph (1), except for the requirements of the Field Act as defined in Section 17281 which shall be complied with in the same manner as any other project under this chapter.

(3) The board shall fund only new construction to be physically located within the geographical jurisdiction of a school district.

(d) Facilities funded pursuant to this article shall have a 50 percent local share matching obligation that may be paid by the applicant through lease payments in lieu of the matching share, or as otherwise set forth in this article, including, but not limited to, Section 17078.58.

(e) The authority may charge its administrative costs against the respective 2002, 2004, or 2006 Charter School Facilities Account, which shall be subject to the approval of the Department of Finance and which may not exceed 2.5 percent of the account.

SEC. 9. Section 17078.56 of the Education Code is amended to read: 17078.56. (a) The board, in consultation with the authority, shall approve projects pursuant to this article as otherwise set forth in this chapter, and shall make preliminary apportionments only to financially sound applicants in accordance with all of the following criteria:

(1) The board shall seek to ensure that, when considered as a whole, the applications approved pursuant to this article are fairly representative of the various geographical regions of the state.

(2) The board shall seek to ensure that, when considered as a whole, the applications approved pursuant to this article are fairly representative of urban, rural, and suburban regions of the state.

(3) The board shall seek to ensure that, when considered as a whole, the applications approved pursuant to this article are fairly representative of large, medium, and small charter schools throughout the state.

(4) The board shall seek to ensure that, when considered as a whole, the applications approved pursuant to this article are fairly representative of the various grade levels of pupils served by charter school applicants throughout the state.

(b) While ensuring that the requirements of subdivision (a) are met when considering all approved projects under this article as a whole, the board shall, within each factor of the criteria set forth in subdivision (a), give a preference to charter schools in overcrowded school districts, charter schools in low-income areas, charter schools operated by not-for-profit entities, and charter schools that utilize existing school district facilities.

SEC. 10. Section 17078.58 of the Education Code is amended to read:

17078.58. (a) Funding granted pursuant to this article may not exceed 100 percent of the total allowable project costs as determined by calculating double the per-pupil grant eligibility as set forth in Section 17072.10, and subdivision (e) of Section 17078.53, plus 100 percent of all other allowable construction project costs, as appropriate to the project, that would otherwise be available to school district projects as set forth in this chapter. Funding granted for the purposes of rehabilitating buildings under Section 17078.54 shall be limited to the costs necessary to comply with subdivision (c) of Section 17078.54, and shall not exceed the maximum costs that would otherwise be allowable for a new construction project funded under this article.

(b) The local share equivalent shall be collected in the form of lease payments or otherwise as set forth in this article.

(c) Lease payments in lieu of local share payments, and any other local share payments made pursuant to this article, shall be made to the board for deposit into the respective 2002, 2004, or 2006 Charter School Facilities Account. Funds deposited into the account pursuant to this section may be used by the board only for a purpose related to charter school facilities pursuant to this article.

(d) When a preliminary apportionment under this article is converted to a final apportionment, any funds not needed for the final apportionment shall remain in the 2002, 2004, or 2006 Charter School Facilities Account for use by the board for any purpose related to charter school facilities pursuant to this article.

SEC. 11. Article 13 (commencing with Section 17078.70) is added to Chapter 12.5 of Part 10 of the Education Code, to read:

Article 13. Career Technical Education Facilities Program

17078.70. (a) For the purposes of this article, “reconfiguration” means any modification of a structure of any age that will enhance the educational opportunities for pupils in existing middle and high schools in order to provide them with the skills and knowledge necessary for high-demand technical careers.

(b) “Reconfiguration” may include limited new construction necessary to accommodate the reconfiguration.

17078.72. (a) The Career Technical Education Facilities Program is hereby established to provide funding to qualifying local educational agencies for the purpose of constructing new facilities or reconfiguring existing facilities, including, but not limited to, purchasing equipment with an average useful life expectancy of at least 10 years, to enhance educational opportunities for pupils in existing high schools in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.

(b) The State Department of Education, in cooperation with the Chancellor’s Office of the Community Colleges, the Labor and Workforce Development Agency, and industry groups, shall develop criteria and pupil outcome measures to evaluate the program. The criteria shall ensure equity, program relevance to industry needs, and articulation with more advanced coursework at the partnering community colleges or private institutions.

(c) The program shall be based on grant applications administered by the board.

(d) Grants shall be allocated on a per-square-foot basis for the applicable type of construction proposed or deemed necessary by the board consistent with the approved application for the project.

(e) New construction grants shall not exceed three million dollars (\$3,000,000) per project per schoolsite, inclusive of equipment, and shall only be allocated to comprehensive high schools that have an active Career Technical Advisory Committee pursuant to Section 8070, in either of the following methods:

(1) For a stand-alone project on a per-square-foot basis for the applicable type of construction proposed, based on the criteria established pursuant to subdivision (b), consistent with the approved application for the project.

(2) For new school projects, as a supplement to the per pupil allocation pursuant to Section 17072.10. The supplement is intended to cover excess

costs uniquely related to the facilities required to provide the career technical education program or programs.

(f) Modernization grants shall not exceed one million five hundred thousand dollars (\$1,500,000) per project per schoolsite, inclusive of equipment and may be awarded to comprehensive high schools or joint power authorities currently operating career technical education programs that have an active Career Technical Advisory Committee pursuant to Section 8070 for the purpose of reconfiguration. For comprehensive high schools, the grant shall be supplemental to the per pupil allocation pursuant to Section 17074.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.

(g) (1) A school district shall contribute from local resources a dollar amount that is equal to the amount of the grant of state funds awarded under subdivisions (d), (e), and (f). The local contribution may be provided by private industry groups, the school district, or a joint powers authority.

(2) A school district shall not be required to demonstrate that it has unhoused pupils or that a permanent school building is more than 25 years old in order to receive a grant under the program.

(h) The program shall allow the local contribution to be paid over time should sufficient local funds not be immediately available. The board may provide for a repayment schedule consistent with subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of Section 17078.57. The board shall not waive the local contribution on the basis of financial hardship or on any other basis.

(i) Applications shall meet the criteria developed under subdivision (b) and shall require all of the following:

(1) A clear and comprehensive Career Technical Education plan for each course of study applicable to the instructional space.

(2) Projections of pupil enrollment.

(3) Identification of feeder schools, industry partners, and community colleges or other postsecondary schools participating in the development, articulation, and review of the educational program.

(4) Evidence of approval of the plan by the entities listed in paragraph (3).

(5) The method by which accountability for pupil enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, the successful entry of pupil to employment in the applicable industry, and successful transition to post-secondary institutions for work in the applicable industry or other areas of study.

(6) Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement career technical education offerings in the area.

(7) Evidence that upon completion of the project the local educational agency will meet all of its obligations under Section 51228 relating to career technical education.

(j) Applications shall give weight to the number of pupils expected to attend, the cost per pupil, financial participation by industry partners in the construction and equipping of the facility, commitment to accountability for outcomes and participation, the strength and relevance of the educational plans to the needs of industry for qualified technical employees applicable to the economic development needs of the region in which the project will be located, and coordination and articulation with feeder schools, other high schools, and community colleges.

(k) The Office of Public School Construction shall develop and the board shall approve regulations to implement this article on or before April 19, 2007, and the board may promulgate those regulations first on an emergency basis, which shall be effective for no more than 12 months, after which any permanent regulations shall be promulgated in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 12. Article 14 (commencing with Section 17079) is added to Chapter 12.5 of Part 10 of the Education Code, to read:

#### Article 14. Overcrowding Relief Grants

17079. (a) For purposes of this article, an eligible school is a school for which the schoolsite pupil population density is equal to or greater than 175 percent of the schoolsite pupil population density recommended by the Superintendent as of January 1, 2006, adjusted by the following factors:

(1) The density calculation shall be reduced to take into account the additional pupil capacity created by multistory construction.

(2) The schoolsite pupil population density shall be reduced to take into account approved new construction projects, including projects approved pursuant to Article 11 (commencing with Section 17078.10).

(b) The board shall adopt regulations to determine the adjustments set forth in paragraphs (1) and (2) of subdivision (a).

17079.10. (a) For purposes of this article, an eligible pupil is a pupil who is housed in a portable classroom, except portable classrooms used for purposes of the Class Size Reduction Program set forth in Chapter 6.10 (commencing with Section 52120) of Part 28, at an eligible school.

(b) The board shall apportion an overcrowding relief grant to districts on behalf of each eligible pupil equal to the appropriate per-unhoused-pupil grant amount pursuant to Section 17072.10. The number of overcrowding relief grants apportioned shall be subject to the following limitations:

(1) The number of grants apportioned on behalf of an eligible school shall not exceed the number of pupils whose removal from the pupil density calculation would reduce the density of the eligible schoolsite to 150 percent of the schoolsite pupil population density recommended by the Superintendent as of January 1, 2006.

(2) A district shall not receive more grants than the number of pupils housed in portable classrooms that were included in the initial new construction eligibility determination of the district pursuant to Article 3 (commencing with Section 17071.75).

17079.20. (a) The board shall require that applications for funding pursuant to this article be used for an equivalent number of permanent new school construction classrooms to replace the portable classrooms upon which the determination of the number of eligible pupils is based. The board shall also require the application to describe how the project will relieve overcrowding at the eligible school.

(b) The board shall create a list of projects eligible for funding and shall approve applications semiannually on a schedule determined by the board.

(c) The board shall require that applicant school districts comply with all of the same conditions otherwise required for new construction funding pursuant to this chapter with the exception of subdivision (b) of Section 17071.75.

(d) The board shall not apportion funds for a project pursuant to this article any portion of which involves the construction, acquisition, or transportation of portable classrooms for any school in the school district.

(e) In the event the funding available to the board for purposes of this article is less than the amount necessary to fund all eligible applications, the board shall prioritize and fund the projects on the basis of the pupil density of the eligible schools.

17079.30. (a) The board shall require both of the following as conditions for receiving funding pursuant to this article:

(1) Within six months after the date of initial occupancy of the permanent school facilities constructed pursuant to this article, the school district shall remove from the eligible school, and remove from service as classrooms in the district, the portable classrooms used for determining the number of eligible pupils.

(2) The new school construction funding provided pursuant to this article shall result in a reduction in the total number of portable classrooms in the school district.

(b) This section does not preclude the school district from using the portable classrooms removed from eligible schools for child care or preschool programs, if those portable classrooms are not located at an eligible school.

(c) This section does not apply to eligible schools operating on double session schedules in an elementary school district in a county of the second class, as set forth in Section 28023 of the Government Code.

SEC. 13. Section 17261 of the Education Code is amended to read:

17261. The State Allocation Board shall obtain construction plans for school buildings appropriate for school districts in various climates and geographical conditions of the state. The plans shall be composed of plans designed to meet the needs of school districts requiring school buildings of various sizes. The plans may include landscape suggestions. The plans may include designs that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

SEC. 14. Section 81052 is added to the Education Code, to read:

81052. Each school building constructed, reconstructed, modified, or expanded after July 1, 2006, on a community college campus shall be built according to the Field Act, as defined in Section 81130.3, or according to the California Building Standards Code, as adopted by the California Building Standards Commission.

SEC. 15. Section 81130.3 of the Education Code is amended to read:

81130.3. This article, together with Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) of Chapter 3 of Part 10.5 and Article 3 (commencing with Section 81050), shall be known and may be cited as the "Field Act."

SEC. 16. Part 69 (commencing with Section 101000) is added to the Education Code, to read:

## PART 69. KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2006

### CHAPTER 1. GENERAL

101000. This part shall be known and may be cited as the Kindergarten-University Public Education Facilities Bond Act of 2006.

101001. The incorporation of, or reference to, any provision of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.

101002. (a) Bonds in the total amount of ten billion four hundred sixteen million dollars (\$10,416,000,000), not including the amount of any refunding bonds issued in accordance with Sections 101030, 101039, and 101059, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 or the Higher Education Facilities Finance Committee established pursuant to Section 67353, as the case may be, at any different times necessary to service expenditures required by the apportionments.

## CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

### Article 1. Kindergarten Through 12th Grade School Facilities Program Provisions

101010. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 101020) shall be deposited in the 2006 State School Facilities Fund established in the State Treasury under subdivision (d) of Section 17070.40 and shall be allocated by the State Allocation Board pursuant to this chapter.

101011. All moneys deposited in the 2006 State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 101012, to provide funds to repay any money advanced or loaned to the 2006 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.



101012. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of one billion nine hundred million dollars (\$1,900,000,000) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10. Of the amount allocated under this paragraph, up to 10.5 percent shall be available for purposes of seismic repair, reconstruction, or replacement, pursuant to Section 17075.10.

(2) The amount of five hundred million dollars (\$500,000,000) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10.

(3) The amount of three billion three hundred million dollars (\$3,300,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(4) The amount of five hundred million dollars (\$500,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to facilities for career technical education programs.

(5) Of the amounts allocated under paragraphs (1) and (3), up to two hundred million dollars (\$200,000,000) for the purposes set forth in Chapter 894 of the Statutes of 2004, relating to incentives for the creation of smaller learning communities and small high schools.

(6) The amount of twenty-nine million dollars (\$29,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10, relating to joint use projects.

(7) The amount of one billion dollars (\$1,000,000,000) shall be available for providing new construction funding to severely overcrowded schoolsites pursuant to Article 14 (commencing with Section 17079) of Chapter 12.5 of Part 10.

(8) The amount of one hundred million dollars (\$100,000,000) for incentive grants to promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools, including, but not limited to, the elements set forth in Section 17070.96, pursuant to regulations adopted by the State Allocation Board.

(b) School districts may use funds allocated pursuant to paragraph (3) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high-priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may also be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (8), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (8), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.

## Article 2. Kindergarten Through 12th Grade School Facilities Fiscal Provisions

101020. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the amount of seven billion three hundred twenty-nine million dollars (\$7,329,000,000) not including the amount of any refunding bonds issued in accordance with Section 101030, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for

the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established pursuant to Section 15909 at any different times necessary to service expenditures required by the apportionments.

101021. The State School Building Finance Committee, established by Section 15909 and composed of the Governor, the Controller, the Treasurer, the Director of Finance, and the Superintendent, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall serve as chairperson of the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet with and provide advice to the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the powers granted to, and duties imposed upon, those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide assistance to the committee as it may require. The Attorney General of the state is the legal adviser of the committee.

101022. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board" for purposes of administering the 2006 State School Facilities Fund.

101023. (a) Upon request of the State Allocation Board, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

(b) A request of the State Allocation Board pursuant to subdivision (a) shall be supported by a statement of the apportionments made and to be made for the purposes described in Sections 101011 and 101012.

101024. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

101025. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 101028, appropriated without regard to fiscal years.

101026. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

101027. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101028. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

101029. All money deposited in the 2006 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

101030. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101031. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

### CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

#### Article 1. General

101032. (a) The 2006 California Community College Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the California Community Colleges.

## Article 2. California Community College Program Provisions

101033. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 101034), the sum of one billion five hundred seven million dollars (\$1,507,000,000) shall be deposited in the 2006 California Community College Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.

## Article 3. California Community College Fiscal Provisions

101034. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the total amount of one billion five hundred seven million dollars (\$1,507,000,000), not including the amount of any refunding bonds issued in accordance with Section 101039, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) It is the intent of the Legislature that the California Community Colleges annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.

(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

101034.5. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2006 Community College Capital Outlay Bond Fund is designated as the "board" for projects funded pursuant to this chapter.

(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for the purpose of funding aid to the California Community Colleges for the construction on existing or new campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.

101035. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

101035.5. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

101036. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury,

for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 101037.5, appropriated without regard to fiscal years.

101036.5. The board, as defined in subdivision (b) of Section 101034.5, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 101034.5, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

101037. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101037.5. (a) For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 California Community College Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.



(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the California Community Colleges shall be accompanied by the five-year capital outlay plan that reflects the needs and priorities of the community college system and is prioritized on a statewide basis. Requests shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the particular college, seismic hazards in buildings identified as high priority by the college.

101038. All money deposited in the 2006 California Community College Capital Outlay Bond Fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

101039. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101039.5. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

## CHAPTER 4. UNIVERSITY FACILITIES

### Article 1. General

101040. (a) The system of public universities in this state includes the University of California, the Hastings College of the Law, and the California State University, and their respective off-campus centers.

(b) The 2006 University Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(c) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the University of California, the Hastings College of the Law, and the California State University.

## Article 2. Program Provisions Applicable to the University of California and the Hastings College of the Law

101041. (a) From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101050), the sum of eight hundred ninety million dollars (\$890,000,000) shall be deposited in the 2006 University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the University of California and the Hastings College of the Law.

(c) Of the amount made available under subdivision (a), the amount of two hundred million dollars (\$200,000,000) shall be used for capital improvements that expand and enhance medical education programs with an emphasis on telemedicine aimed at developing high-tech approaches to health care.

(d) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the University of California and the Hastings College of the Law.

## Article 3. Program Provisions Applicable to the California State University

101042. (a) From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101050), the sum of six hundred ninety million dollars (\$690,000,000) shall be deposited in the 2006 University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California State University.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related

fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California State University.

#### Article 4. University Fiscal Provisions

101050. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the amount of one billion five hundred eighty million dollars (\$1,580,000,000), not including the amount of any refunding bonds issued in accordance with Section 101059, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) It is the intent of the Legislature that the University of California and the California State University annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.

(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

101051. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2006 University Capital Outlay Bond Fund is designated as the “board” for projects funded pursuant to this chapter.

(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for the purpose of funding aid to the University of California, the Hastings College of the Law, and the California State University, for the construction on existing or new campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.

101052. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

101053. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

101054. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 101057, appropriated without regard to fiscal years.

101055. The board, as defined in subdivision (b) of Section 101051, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the

request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 101051, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

101056. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101057. (a) For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2006 University Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the University of California, the Hastings College of the Law, or the California State University shall be accompanied by the five-year capital outlay plan. Requests forwarded by a university or college shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the particular university or college, seismic hazards in buildings identified as high priority by the university or college.

101058. All money deposited in the 2006 University Capital Outlay Bond Fund that is derived from premium and accrued interest on bonds

sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

101059. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101060. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 17. Section 65997 of the Government Code is amended to read:

65997. (a) The following provisions shall be the exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or the establishment of conditions for the approval of a development project, as defined in Section 17620 of the Education Code, pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code:

(1) Chapter 12 (commencing with Section 17000) of, or Chapter 12.5 (commencing with Section 17070.10) of, Part 10 of the Education Code.

(2) Chapter 14 (commencing with Section 17085) of Part 10 of the Education Code.

(3) Chapter 18 (commencing with Section 17170) of Part 10 of the Education Code.

(4) Article 2.5 (commencing with Section 17430) of Chapter 4 of Part 10.5 of the Education Code.

(5) Section 17620 of the Education Code.

(6) Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5.

(7) Chapter 4.7 (commencing with Section 65970) of Division 1 of Title 7.

(b) A public agency may not, pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code or Division 2 (commencing with Section 66410) of this code, deny approval of a project on the basis of the adequacy of school facilities.

(c) (1) This section shall become operative on or after any statewide election in 2012, if a statewide general obligation bond measure submitted for voter approval in 2012 or thereafter that includes bond issuance authority to fund construction of kindergarten and grades 1 to

12, inclusive, public school facilities is submitted to the voters and fails to be approved.

(2) (A) This section shall become inoperative if subsequent to the failure of a general obligation bond measure described in paragraph (1) a statewide general bond measure as described in paragraph (1) is approved by the voters.

(B) Thereafter, this section shall become operative if a statewide general obligation bond measure submitted for voter approval that includes bond issuance authority to fund construction of kindergarten and grades 1 to 12, inclusive, public school facilities is submitted to the voters and fails to be approved and shall become inoperative if subsequent to the failure of the general obligation bond measure a statewide bond measure as described in this subparagraph is approved by the voters.

(d) Notwithstanding any other provision of law, a public agency may deny or refuse to approve a legislative act involving, but not limited to, the planning, use, or development of real property, on the basis that school facilities are inadequate, except that a public agency may not require the payment or satisfaction of a fee, charge, dedication, or other financial requirement in excess of that levied or imposed pursuant to Section 65995 and, if applicable, any amounts specified in Sections 65995.5 or 65995.7.

SEC. 18. Section 4 of Chapter 421 of the Statutes of 2001 is amended to read:

Sec. 4. This act shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 19. Section 4 of Chapter 637 of the Statutes of 2002 is amended to read:

Sec. 4. This act shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 20. (a) Up to twenty-one million dollars (\$21,000,000) of any funds that are required to be made available for rehabilitation or construction of joint-use facilities for public schools and that result or are derived from the sale of bonds issued on or before January 1, 2006, shall be transferred to the State Allocation Board and may be apportioned by that board for the purposes of Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 of the Education Code.

(b) Any funds remaining after the transfer required under subdivision (a) that conform to the description set forth in that subdivision shall be transferred to the State Allocation Board and may be apportioned by

that board for any of the purposes of Chapter 12.5 (commencing with Section 17070.10) of Part 10 of the Education Code.

SEC. 21. The Secretary of State shall submit Sections 16 and 20 of this act to the voters at the November 7, 2006, statewide general election.

SEC. 22. Notwithstanding any other provision of law, with respect to the Kindergarten-University Public Education Facilities Bond Act of 2006, as set forth in Section 16 of this act, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, exclusively the words: "Kindergarten-University Public Education Facilities Bond Act of 2006" and in the same square under those words, the following in 8-point type:

"This ten billion four hundred sixteen million dollar (\$10,416,000,000) bond issue will provide needed funding to relieve public school overcrowding and to repair older schools. It will improve earthquake safety and fund vocational educational facilities in public schools. Bond funds must be spent according to strict accountability measures. Funds will also be used to repair and upgrade existing public college and university buildings and to build new classrooms to accommodate the growing student enrollment in the California Community Colleges, the University of California, and the California State University."

Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

SEC. 23. Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in Section 22 shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

SEC. 24. 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. 25. Sections 1 to 15, inclusive, and Sections 18 and 19 of this act shall become operative only if the voters approve the Kindergarten-University Public Education Facilities Bond Act of 2006, as set forth in Section 16 of this act.

SEC. 26. 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, at the earliest possible time, that the electorate is provided with the opportunity to vote on the financing of necessary educational facilities at the November 7, 2006, statewide general election, including related statutory changes, it is necessary that this act take effect immediately.

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## CHAPTER 36

An act to amend Sections 15400, 15405, 15406, 15406.5, and 15409 of, and to add Sections 54.5 and 15008 to, the Fish and Game Code, and to amend Section 30411 of the Public Resources Code, relating to aquaculture.

[Approved by Governor May 26, 2006. Filed with  
Secretary of State May 26, 2006.]

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

SECTION 1. This bill shall be known, and may be cited, as the Sustainable Oceans Act.

SEC. 2. Section 54.5 is added to the Fish and Game Code, to read:  
54.5. "Marine finfish aquaculture" means the propagation, cultivation, or maintenance of finfish species in the waters of the Pacific Ocean that are regulated by this state.

SEC. 3. Section 15008 is added to the Fish and Game Code, to read:  
15008. (a) The department shall, in consultation with the Aquaculture Development Committee, prepare programmatic environmental impact reports for existing and potential commercial aquaculture operations in both coastal and inland areas of the state if both of the following conditions are met:

- (1) Funds are appropriated to the department for this purpose.
  - (2) Matching funds are provided by the aquaculture industry. For the purpose of this section, "matching funds" include, but are not limited to, any funds expended by the aquaculture industry before January 1, 2006, for the preparation of a programmatic environmental impact report.
- (b) If the final programmatic environmental impact report is prepared pursuant to subdivision (a) for coastal marine finfish aquaculture projects and approved by the commission under the California Environmental Quality Act set forth in Division 13 (commencing with Section 21000) of the Public Resources Code, the report shall provide a framework for

managing marine finfish aquaculture in an environmentally sustainable manner that, at a minimum, adequately considers all of the following factors:

- (1) Appropriate areas for siting marine finfish aquaculture operations to avoid adverse impacts, and minimize any unavoidable impacts, on user groups, public trust values, and the marine environment.
- (2) The effects on sensitive ocean and coastal habitats.
- (3) The effects on marine ecosystems, commercial and recreational fishing, and other important ocean uses.
- (4) The effects on other plant and animal species, especially species protected or recovering under state and federal law.
- (5) The effects of the use of chemical and biological products and pollutants and nutrient wastes on human health and the marine environment.
- (6) The effects of interactions with marine mammals and birds.
- (7) The cumulative effects of a number of similar finfish aquaculture projects on the ability of the marine environment to support ecologically significant flora and fauna.
- (8) The effects of feed, fish meal, and fish oil on marine ecosystems.
- (9) The effects of escaped fish on wild fish stocks and the marine environment.
- (10) The design of facilities and farming practices so as to avoid adverse environmental impacts, and to minimize any unavoidable impacts.

SEC. 4. Section 15400 of the Fish and Game Code is amended to read:

15400. (a) Except as prohibited by Section 15007, the commission may lease state water bottoms or the water column to any person for aquaculture, including, but not limited to, marine finfish aquaculture. Upon appropriation of funds for that purpose, or if funds are otherwise available, the commission shall adopt regulations governing the terms of the leases, after consulting with affected stakeholders in a public process. No state leases shall be issued, unless the commission determines that the lease is in the public interest in a public hearing conducted in a fair and transparent manner, with notice and comment, in accordance with commission procedures. Leases issued, and regulations adopted, pursuant to this section shall not be construed to be fishery management plans.

(b) A person shall not engage in marine finfish aquaculture in ocean waters within the jurisdiction of the state without a lease from the commission. Leases and regulations adopted by the commission for marine finfish aquaculture shall meet, but are not limited to, all of the following standards:

(1) The lease site is considered appropriate for marine finfish aquaculture in the programmatic environmental impact report if prepared and approved by the commission pursuant to Section 15008.

(2) A lease shall not unreasonably interfere with fishing or other uses or public trust values, unreasonably disrupt wildlife and marine habitats, or unreasonably harm the ability of the marine environment to support ecologically significant flora and fauna. A lease shall not have significant adverse cumulative impacts.

(3) To reduce adverse effects on global ocean ecosystems, the use of fish meal and fish oil shall be minimized. Where feasible, alternatives to fish meal and fish oil, or fish meal and fish oil made from seafood harvesting byproducts, shall be utilized, taking into account factors that include, but need not be limited to, the nutritional needs of the fish being raised and the availability of alternative ingredients.

(4) Lessees shall establish best management practices, approved by the commission, for each lease site. Approved best management practices shall include a regular monitoring, reporting, and site inspection program that requires at least annual monitoring of lease sites to ensure that the operations are in compliance with best management practices related to fish disease, escapement, and environmental stewardship, and that operations are meeting the requirements of this section. The commission may remove fish stocks, close facilities, or terminate the lease if it finds that the lessee is not in compliance with best management practices, that the lessee's activities have damaged or are damaging the marine environment, or that the lessee is not in compliance with this section. The commission shall take immediate remedial action to avoid or eliminate significant damage, or the threat of significant damage, to the marine environment.

(5) Before issuance of the lease, the lessee shall provide baseline benthic habitat and community assessments of the proposed lease site to the applicable regional water quality control board or the State Water Resources Control Board, and shall monitor the benthic habitat and community during the operation of the lease in a manner determined by the regional board or the State Water Resources Control Board. The regional board and the State Water Resources Control Board may establish and impose reasonable permit fees to pay for the costs of administering and conducting the assessment and monitoring program.

(6) Finfish numbers and density shall be limited to what can be safely raised while protecting the marine environment, as specified by the terms of the lease, subject to review and amendment by the commission.

(7) The use of all drugs, chemicals, and antibiotics, and amounts used and applied, shall be minimized. All drugs, therapeutic substances, and antibiotics shall be used and applied only as approved by the United

States Food and Drug Administration for marine finfish aquaculture. The lessee shall report that use and application to the commission on a regular schedule, as determined by the commission, but no less than annually, that shall be included in the terms of the lease. The commission shall review those reports on a regular basis and at least annually.

(8) The commission shall require all farmed fish to be marked, tagged, or otherwise identified as belonging to the lessee in a manner determined appropriate by the commission, unless the commission determines that identifying farmed fish is unnecessary for protecting wild fish stocks, the marine environment, or other ocean uses.

(9) All facilities and operations shall be designed to prevent the escape of farmed fish into the marine environment and to withstand severe weather conditions and marine accidents. The lessee shall maintain records on all escapes in a manner determined by the commission. In the event of more than de minimis escapement, the number of escaped fish and the circumstances surrounding the incident shall be reported immediately to the commission, and the lessee shall be responsible for damages to the marine environment caused by those escaped fish, as determined by the commission.

(10) The lessee shall, at a minimum, meet all applicable requirements imposed by the State Water Resources Control Board and the regional water quality control boards, and shall prevent discharges to the maximum extent possible. Monitoring and testing of water quality shall be required on a regular basis as deemed appropriate by the State Water Resources Control Board or the regional water quality control boards. All inspection and monitoring reports and other records, and all data on the discharge of chemical and biological pollutants shall be kept on file and available for public review.

(c) If a restoration or enhancement plan is submitted to, and approved by, the commission, and that plan, among other things, provides for monitoring and protecting the benthic habitat, the prevention of pollution, and the prevention of adverse impacts on wild fish stocks from disease, parasites, and genetic alterations, subdivision (b) shall not apply to any of the following:

(1) Artificial propagation, rearing, and stocking projects for the purpose of recovery, restoration, or enhancement of native fish stocks carried out under either of the following:

(A) A scientific collecting or research permit issued by the department.

(B) The California Ocean Resources Enhancement and Hatchery Program, as set forth in Article 8 (commencing with Section 6590) of Chapter 5 of Part 1 of Division 6, for the enhancement of white sea bass.

(2) Nonprofit hatcheries and nonprofit artificial propagation projects operated by, or on behalf of, licensed commercial or sport fishermen

and fisherwomen for the purpose of recovery, restoration, or enhancement of California's native marine fish populations, pursuant to Chapter 8 (commencing with Section 6900) of Part 1 of Division 6.

(d) Nothing in this section shall be construed to limit or expand the application of any other state law or regulation pertaining to marine finfish aquaculture conducted within the ocean waters under the jurisdiction of this state.

SEC. 5. Section 15405 of the Fish and Game Code is amended to read:

15405. (a) Except as specified in subdivision (b), no initial term of a state water bottom lease shall exceed 25 years.

(b) The initial term of a state water bottom lease for marine finfish aquaculture shall not exceed 10 years.

SEC. 6. Section 15406 of the Fish and Game Code is amended to read:

15406. (a) Each state water bottom lease shall specify a period prior to expiration when renewal of the lease may be requested by the lessee. If during this period the lessee is still actively engaged in aquaculture, as determined by the commission, the lessee shall have a prior right to renew the lease on terms agreed upon between the commission and the lessee. If terms are not agreed upon, the commission shall advertise for bids on the lease. If a request for renewal is not made by the lessee, the commission shall advertise for bids on the lease. The commission shall consider bids only from aquaculturists registered pursuant to Section 15101.

(b) Notwithstanding subdivision (a), with respect to any lease of state water bottoms in effect on January 1, 1983, the lessee shall have a prior right to renew the lease. If the lessee does not renew the lease, the commission shall advertise for bids on the lease. The commission shall consider bids only from aquaculturists registered pursuant to Section 15101.

(c) Except as specified in subdivision (d), a lease may be renewed for additional periods not to exceed 25 years each.

(d) A lease for marine finfish aquaculture may be renewed for additional periods not to exceed five years each.

SEC. 7. Section 15406.5 of the Fish and Game Code is amended to read:

15406.5. (a) Except as specified in subdivision (b), the commission shall award water bottom leases to the highest responsible bidder, if the bid meets or exceeds the minimum annual rent established by the commission, which shall not be less than two dollars (\$2) per acre, for all species cultivated, unless the acreage applied for is 10 acres or less, in which case the minimum acceptable rent shall be ten dollars (\$10)

per acre. The annual rent for any lease in effect on January 1, 1983, for the cultivation of oysters shall be one dollar (\$1) per acre until the expiration thereof. The commission may reject any or all bids for the lease of state water bottoms if it deems the rejection to be in the public interest.

(b) Fees for marine finfish aquaculture leases shall, at a minimum, be sufficient to pay for the costs of administering the marine finfish leasing program, and for monitoring and enforcing the terms of the leases.

SEC. 8. Section 15409 of the Fish and Game Code is amended to read:

15409. (a) Upon termination of a lease, for any reason, all structures shall be removed at the lessee's expense from the leasehold, and the area shall be restored to its original condition. If the lessee fails to remove the structures, the state may remove them and the lessee shall pay the removal costs incurred.

(b) The commission shall require financial assurances of each marine finfish aquaculture lessee to ensure that restoration is performed to the satisfaction of the commission. Financial assurances may take the form of surety bonds executed by an admitted surety insurer, irrevocable letters of credit, trust funds, or other forms of financial assurances specified by the commission, as it determines are available and adequate to ensure the lease site is restored pursuant to this section.

(c) Marine finfish aquaculture lessees shall be responsible for any damages caused by their operations, as determined by the commission, including, but not limited to, reimbursement for any costs for natural resource damage assessment.

(d) Nothing in this section limits the state in pursuing additional remedies authorized by law.

SEC. 9. Section 30411 of the Public Resources Code is amended to read:

30411. (a) The Department of Fish and Game and the Fish and Game Commission are the principal state agencies responsible for the establishment and control of wildlife and fishery management programs and the commission shall not establish or impose any controls with respect thereto that duplicate or exceed regulatory controls established by these agencies pursuant to specific statutory requirements or authorization.

(b) The Department of Fish and Game, in consultation with the commission and the Department of Boating and Waterways, may study degraded wetlands and identify those which can most feasibly be restored in conjunction with development of a boating facility as provided in

subdivision (a) of Section 30233. Any study conducted under this subdivision shall include consideration of all of the following:

(1) Whether the wetland is so severely degraded and its natural processes so substantially impaired that it is not capable of recovering and maintaining a high level of biological productivity without major restoration activities.

(2) Whether a substantial portion of the degraded wetland, but in no event less than 75 percent, can be restored and maintained as a highly productive wetland in conjunction with a boating facilities project.

(3) Whether restoration of the wetland's natural values, including its biological productivity and wildlife habitat features, can most feasibly be achieved and maintained in conjunction with a boating facility or whether there are other feasible ways to achieve these values.

(c) The Legislature finds and declares that salt water or brackish water aquaculture is a coastal-dependent use which should be encouraged to augment food supplies and to further the policies set forth in Chapter 4 (commencing with Section 825) of Division 1. The Department of Fish and Game may identify coastal sites it determines to be appropriate for aquaculture facilities. If the department identifies these sites, it shall transmit information identifying the sites to the commission and the relevant local government agency. The commission, and where appropriate, local governments, shall, consistent with the coastal planning requirements of this division, provide for as many coastal sites identified by the Department of Fish and Game for any uses that are consistent with the policies of Chapter 3 (commencing with Section 30200) of this division.

(d) Any agency of the state owning or managing land in the coastal zone for public purposes shall be an active participant in the selection of suitable sites for aquaculture facilities and shall make the land available for use in aquaculture when feasible and consistent with other policies of this division and other provisions of law.

SEC. 10. 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.

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## CHAPTER 37

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time in which actions may be commenced, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 2006. Filed with  
Secretary of State May 26, 2006.]

*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 2006.

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.

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## CHAPTER 38

An act to amend, repeal, and add Section 7125 of the Business and Professions Code, and to add and repeal Section 11665 of the Insurance Code, relating to workers' compensation.

[Approved by Governor May 26, 2006. Filed with  
Secretary of State May 26, 2006.]

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

SECTION 1. Section 7125 of the Business and Professions Code is amended to read:

7125. (a) Except as provided in subdivision (b), the board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee have on file at all times a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by one or more insurers duly licensed to write workers' compensation insurance in this state. A Certification of Self-Insurance shall be issued and filed by the Director of Industrial Relations. If reciprocity conditions exist, as defined in Section 3600.5 of the Labor Code, the registrar shall require the information deemed necessary to assure compliance with this section.

(b) This section does not apply to an applicant or licensee who meets both of the following conditions:

(1) Has no employees provided that he or she files a statement with the board on a form prescribed by the registrar prior to the issuance, reinstatement, reactivation, or continued maintenance of a license, certifying that he or she does not employ any person in any manner so as to become subject to the workers' compensation laws of California or is not otherwise required to provide for workers' compensation insurance coverage under California law.

(2) Does not hold a C-39 license, as defined in Section 832.39 of Title 16 of the California Code of Regulations.

(c) No Certificate of Workers' Compensation Insurance, Certification of Self-Insurance, or exemption-certificate is required of a holder of a

license that has been inactivated on the official records of the board during the period the license is inactive.

(d) The insurer, including the State Compensation Insurance Fund, shall report to the registrar the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable.

(e) For any license that, on January 1, 2007, is active and includes a C-39 classification in addition to any other classification, the registrar shall, in lieu of the automatic license suspension otherwise required under this article, remove the C-39 classification from the license unless a valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance is received by the registrar prior to the operative date of this section.

(f) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 2. Section 7125 is added to the Business and Professions Code, to read:

7125. (a) The board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee have on file at all times a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by one or more insurers duly licensed to write workers' compensation insurance in this state. A Certification of Self-Insurance shall be issued and filed by the Director of Industrial Relations. If reciprocity conditions exist, as defined in Section 3600.5 of the Labor Code, the registrar shall require the information deemed necessary to assure compliance with this section.

(b) This section does not apply to an applicant or licensee who has no employees provided that he or she files a statement with the board on a form prescribed by the registrar prior to the issuance, reinstatement, reactivation, or continued maintenance of a license, certifying that he or she does not employ any person in any manner so as to become subject to the workers' compensation laws of California or is not otherwise required to provide for workers' compensation insurance coverage under California law.

(c) No Certificate of Workers' Compensation Insurance, Certification of Self-Insurance, or exemption-certificate is required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(d) The insurer, including the State Compensation Insurance Fund, shall report to the registrar the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date, if applicable.

(e) This section shall become operative on January 1, 2011.

SEC. 3. Section 11665 is added to the Insurance Code, to read:

11665. (a) An insurer who issues a workers' compensation insurance policy to a roofing contractor holding a C-39 license from the Contractors State License Board shall perform an annual payroll audit for the contractor. The insurer may impose a surcharge on each policyholder audited under this subdivision in an amount necessary to recoup the reasonable costs of conducting the annual payroll audits.

(b) The commissioner shall direct the rating organization designated as his or her statistical agent to compile pertinent statistical data on those holding C-39 licenses, as reported by the appropriate state entity, on an annual basis and provide a report to him or her each year. The data shall track the total annual payroll and loss data reported on those holding C-39 licenses in accordance with the standard workers' compensation insurance classifications applicable to roofing operations. The first report shall be filed no later than March 1, 2008, and shall cover the data compiled for the 2005 calendar year.

(c) This section shall become operative on January 1, 2007, and shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

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## CHAPTER 39

An act making an appropriation in augmentation of the Budget Act of 2005, relating to contingencies and emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor May 31, 2006. Filed with  
Secretary of State May 31, 2006.]

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

SECTION 1. The sum of two million six hundred ten thousand dollars (\$2,610,000) is appropriated for expenditure in the 2005–06 fiscal year in augmentation of Item 9840-001-0001 of Section 2.00 of the Budget



Act of 2005 (Chapters 38 and 39 of the Statutes of 2005) and, notwithstanding the provisions of Item 9840-001-0001, these funds shall be allocated by the Controller in accordance with the following schedules:

(1) One million three hundred thousand dollars (\$1,300,000) to Item 0820-001-0001, Schedule (9) 50–Law Enforcement.

(2) One million three hundred ten thousand dollars (\$1,310,000) to Item 8965-001-0001, Schedule (1) 30–Care of Sick and Disabled Veterans.

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.

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## CHAPTER 40

An act to make an appropriation in augmentation of the Budget Act of 2005, relating to the State Budget, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor May 31, 2006. Filed with  
Secretary of State May 31, 2006.]

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

SECTION 1. The sum of one hundred seventy-five million one hundred seventy thousand dollars (\$175,170,000) is hereby appropriated from the General Fund for expenditure for the 2005–06 fiscal year in augmentation of Item 9840-001-0001 of Section 2.00 of the Budget Act of 2005 (Chapter 38 of the Statutes of 2005). Notwithstanding Provision 7 of Item 9840-001-0001, these funds shall be allocated by the State Controller in accordance with the following schedule:

(1) Twenty-three million two hundred eighteen thousand dollars (\$23,218,000) to Item 9800-001-0001.

(2) One hundred forty-three million nine hundred fifty-two thousand dollars (\$143,952,000) to Item 5225-001-0001 scheduled as follows: (a) fifteen million six hundred seventy-six thousand dollars (\$15,676,000) Schedule (7) 25-Adult Corrections and Rehabilitation Operations, and (b) one hundred twenty-eight million two hundred seventy-six thousand dollars (\$128,276,000) Schedule (11) 50-Correctional Health Care Services.

(3) Eight million dollars (\$8,000,000) to Item 3540-001-0001 scheduled as follows: (a) one hundred sixty thousand dollars (\$160,000) Schedule (.1) 10-Office of the State Fire Marshal, (b) seven million three

hundred sixty thousand dollars (\$7,360,000) Schedule (.2) 11-Fire Protection, and (c) four hundred eighty thousand dollars (\$480,000) Schedule (.3) 12-Resource Management.

SEC. 2. The sum of one million three hundred twenty-six thousand dollars (\$1,326,000) is hereby appropriated from unallocated special funds for expenditure for the 2005–06 fiscal year in augmentation of Item 9840-001-0494 of Section 2.00 of the Budget Act of 2005 (Chapter 38 of the Statutes of 2005). Notwithstanding Provision 7 of Item 9840-001-0001, these funds shall be allocated by the State Controller in accordance with the following schedule:

(1) Three hundred thirty-eight thousand dollars (\$338,000) to Item 7350-001-0023 Program 80-Claims, Wages, and Contingencies.

(2) Nine hundred eighty-eight thousand dollars (\$988,000) to Item 7350-001-0481 Program 80-Claims, Wages, and Contingencies.

SEC. 3. The sum of twenty-six million dollars (\$26,000,000) is hereby appropriated from unallocated nongovernmental cost funds for expenditure for the 2005–06 fiscal year in augmentation of Item 9840-001-0988 of Section 2.00 of the Budget Act of 2005 (Chapter 38 of the Statutes of 2005). Notwithstanding Provision 7 of Item 9840-001-0001, these funds shall be allocated by the State Controller in accordance with the following schedule:

(1) Twenty-six million dollars (\$26,000,000) to Item 4260-111-3023 Program 20.40-Primary Care and Family Health.

SEC. 4. Any unencumbered balance, as of June 30, 2006, of the funds appropriated within any of the items identified in Section 1 of this act shall revert to the General Fund.

SEC. 5. 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.

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## CHAPTER 41

An act to amend Section 50079 of the Government Code, relating to taxation.

[Approved by Governor May 31, 2006. Filed with  
Secretary of State May 31, 2006.]

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

SECTION 1. Section 50079 of the Government Code is amended to read:

50079. (a) Subject to Section 4 of Article XIII A of the California Constitution, any school district may impose qualified special taxes within the district pursuant to the procedures established in Article 3.5 (commencing with Section 50075) and any other applicable procedures provided by law.

(b) (1) As used in this section, "qualified special taxes" means special taxes that apply uniformly to all taxpayers or all real property within the school district, except that "qualified special taxes" may include taxes that provide for an exemption from those taxes for taxpayers 65 years of age or older or for persons receiving Supplemental Security Income for a disability, regardless of age.

(2) "Qualified special taxes" do not include special taxes imposed on a particular class of property or taxpayers.

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## CHAPTER 42

An act to repeal Section 8698.6 of the Business and Professions Code, relating to pests, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State June 12, 2006.]

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

SECTION 1. Section 8698.6 of the Business and Professions Code is repealed.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the Structural Fumigation Enforcement Program continues in operation, it is necessary that this act take effect immediately.

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## CHAPTER 43

An act to amend Sections 69433.9, 69436, and 69517.5 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 2006. Filed with  
Secretary of State June 26, 2006.]

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) It has been, and it remains, the intent of the Legislature that the California Community College Transfer Cal Grant Entitlement Program established by Article 4 (commencing with Section 69436) of Chapter 1.7 of Part 42 of the Education Code provide future opportunities for California high school pupils who choose to begin their four-year baccalaureate education at a campus of the California Community Colleges.

(2) Reflecting this intent, the Legislature enacted provisions in the Statutes of 2000 to restrict eligibility for the California Community College Transfer Cal Grant Entitlement Program to students who were residents of California at the time of high school graduation or its equivalent.

(3) Subsequent to the enactment of that statute, the Student Aid Commission failed to implement these provisions and granted California Community College Transfer Entitlement awards to approximately 1,000 students who were not residents of California at the time of high school graduation or its equivalent.

(4) These students are qualified for a Cal Grant award in all other aspects, including current California residency, minimum community college grade point average, financial need, and continuing satisfactory academic progress.

(5) These students were not notified of the residency requirement related to their status at the time of high school graduation or its equivalent.

(6) These students have accepted these awards and have relied upon, or will rely upon, this assistance to make choices regarding higher education and to enroll in, and pursue, a four-year baccalaureate degree in California.

(7) These students, by virtue of receiving a California Community College Transfer Cal Grant Entitlement Award, were not considered for the Cal Grant competitive awards, for which some of these students might have qualified if given the opportunity to be considered, because these programs do not have a restriction on residency at the time of high school graduation or its equivalent.

(b) It is the intent of the Legislature to make a narrow retroactive change in the eligibility criteria of the California Community College

Transfer Cal Grant Entitlement Program to make it unnecessary to attempt to collect funds that have already been received by students and to allow certain students who received their awards in error to complete their education with the support promised to them by the State of California, but to further ensure that the original eligibility criteria are strictly enforced for awards now being made for the 2006–07 academic year and beyond.

SEC. 2. Section 69433.9 of the Education Code is amended to read:  
69433.9. To be eligible to receive a Cal Grant award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) In compliance with all applicable Selective Service registration requirements.

(c) Not incarcerated.

(d) Not in default on any student loan within the meaning of Section 69507.5.

(e) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

SEC. 3. Section 69436 of the Education Code is amended to read:

69436. (a) Commencing with the 2001–02 academic year, and each academic year thereafter, a student who was not awarded a Cal Grant A or B award pursuant to Article 2 (commencing with Section 69434) or Article 3 (commencing with Section 69435) at the time of his or her high school graduation but, at the time of transfer from a California community college to a qualifying baccalaureate program, meets all of the criteria set forth in subdivision (b), shall be entitled to a Cal Grant A or B award.

(b) Any California resident transferring from a California community college to a qualifying institution that offers a baccalaureate degree is entitled to receive, and the commission shall award, a Cal Grant A or B award depending on the eligibility determined pursuant to subdivision (c), if all of the following criteria are met:

(1) A complete official financial aid application has been submitted or postmarked pursuant to Section 69432.9, no later than the March 2 of the year immediately preceding the award year.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student has earned a community college grade point average of at least 2.4 on a 4.0 scale and is eligible to transfer to a qualifying institution that offers a baccalaureate degree.

(4) The student's household has an income and asset level not exceeding the limits set forth in Section 69432.7.

(5) The student is pursuing a baccalaureate degree that is offered by a qualifying institution.

(6) He or she is enrolled at least part time.

(7) The student meets the general Cal Grant eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) The student does not meet the federal definition of an independent student, as set forth in subsection (d) of Section 1087vv of Title 20 of the United States Code, with the exception of:

(A) A student who is an orphan or a ward of the court and who will not be 24 years old or older by December 31 of the award year.

(B) A student who is a veteran of the United States Armed Forces and who will not be 24 years old or older by December 31 of the award year.

(C) A student who is a married person and who will not be 24 years old or older by December 31 of the award year.

(D) A student who will not be 24 years old or older by December 31 of the award year and who has dependents other than a spouse.

(E) A student who will not be 24 years old or older by December 31 of the award year and for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

(9) The student graduated from a California high school or its equivalent during or after the 2000–01 academic year.

(c) The amount and type of the award pursuant to this article shall be determined as follows:

(1) For applicants with income and assets at or under the Cal Grant A limits, the award amount shall be the amount established pursuant to Article 2 (commencing with Section 69434).

(2) For applicants with income and assets at or under the Cal Grant B limits, the award amount shall be the amount established pursuant to Article 3 (commencing with Section 69435).

(d) (1) Commencing with the 2006–07 award year, a student meeting the requirements of paragraph (9) of subdivision (b) by means of high school graduation, rather than its equivalent, shall be required to have graduated from a California high school, unless that California resident graduated from a high school outside of California due solely to orders received from a branch of the United States Armed Forces by that student

or by that student's parent or guardian that required that student to be outside of California at the time of high school graduation.

(2) For the purposes of this article, both of the following are exempt from the requirements of subdivision (e) of Section 69433.9 and paragraph (9) of subdivision (b) of this section:

(A) A student for whom a claim under this article was paid prior to December 1, 2005.

(B) A student for whom a claim under this article for the 2004–05 award year or the 2005–06 award year was or is paid on or after December 1, 2005, but no later than October 15, 2006.

(3) (A) Commencing with the 2006–07 award year, the commission shall make preliminary awards to all applicants currently eligible for an award under this article. At the time an applicant receives a preliminary award, the commission shall require that applicant to affirm, in writing, under penalty of perjury, that he or she meets the requirements set forth in subdivision (e) of Section 69433.9, paragraph (9) of subdivision (b) of this section, and paragraph (1) of this subdivision. The commission shall notify each person who receives a preliminary award under this paragraph that his or her award is subject to an audit pursuant to subparagraph (B).

(B) The commission shall select, at random, a minimum of 10 percent of the new and renewal awards made under subparagraph (A), and shall require, prior to the disbursement of Cal Grant funds to the affected postsecondary institution, that the institution verify that the recipient meets the requirements of subdivision (e) of Section 69433.9, paragraph (9) of subdivision (b) of this section, and paragraph (1) of this subdivision. An award that is audited under this paragraph and found to be valid shall not be subject to a subsequent audit.

(C) Pursuant to Section 69517.5, the commission shall seek repayment of any and all funds found to be improperly disbursed under this article.

(D) On or before November 1 of each year, the commission shall submit a report to the Legislature and the Governor including, but not necessarily limited to, both of the following:

(1) The number of awards made under this article in the preceding 12 months.

(2) The number of new and renewal awards selected, in the preceding 12 months, for verification under subparagraph (B), and the results of that verification with respect to students at the University of California, at the California State University, at independent nonprofit institutions, and at independent for-profit institutions.

SEC. 4. Section 69517.5 of the Education Code is amended to read:  
69517.5. The Student Aid Commission shall, with the assistance of the Attorney General's office, seek refunds on any awards to students

made under this part that resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award.

SEC. 5. 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. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that students erroneously granted awards under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act may continue their education, it is necessary that this act take effect immediately.

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## CHAPTER 44

An act to amend Section 2704.13 and 2704.16 of the Streets and Highways Code, and to amend Sections 3 and 4 of Chapter 697 of the Statutes of 2002, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 2006. Filed with  
Secretary of State June 27, 2006.]

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

SECTION 1. Section 2704.13 of the Streets and Highways Code, as amended by Section 2 of Chapter 71 of the Statutes of 2004, is amended to read:

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs,



revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

SEC. 2. Section 2704.16 of the Streets and Highways Code, as amended by Section 3 of Chapter 71 of the Statutes of 2004, is amended to read:

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 3. Section 3 of Chapter 697 of the Statutes of 2002, as amended by Section 4 of Chapter 71 of the Statutes of 2004, is amended to read:

Sec. 3. Section 2 of Chapter 697 of the Statutes of 2002, as amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 Regular Session, shall take effect upon the adoption by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, as set forth in Section 2 of Chapter 697 of the Statutes of 2002, as amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 Regular Session.

SEC. 4. Section 4 of Chapter 697 of the Statutes of 2002, as amended by Section 5 of Chapter 71 of the Statutes of 2004, is amended to read:

Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2003, as amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 Regular Session, shall be submitted to the voters at the November 4, 2008, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

(b) Notwithstanding any other provision of law, all ballots of the November 4, 2008, general election shall have printed thereon and in a square thereof, exclusively, the words "Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century" and in the same square under those words, the following in 8-point type: "This act provides for the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. For the purpose of reducing traffic on the state's highways and

roadways, upgrading commuter transportation, improving people's ability to get safely from city to city, alleviating congestion at airports, reducing air pollution, and providing for California's growing population, shall the state build a high-speed train system and improve existing passenger rail lines serving the state's major population centers by creating a rail trust fund that will issue bonds totaling \$9.95 billion, paid from existing state funds at an average cost of \_\_\_\_ dollars (\$\_\_\_\_) per year over the 30-year life of the bonds, with all expenditures subject to an independent audit?" The blank space in the question to appear on the ballot pursuant to this subdivision shall be filled in by the Attorney General with the appropriate figure provided by the Legislative Analyst relative to the annual average cost of the bonds. Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the measure.

(c) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (b) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(d) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

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 remove the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century from the November 7, 2006, general election and to instead submit it to the voters at the November 4, 2008, general election, it is necessary that this act take effect immediately.

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## CHAPTER 45

An act to amend Section 262 of the Penal Code, relating to spousal rape.

[Approved by Governor June 28, 2006. Filed with  
Secretary of State June 28, 2006.]

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

SECTION 1. Section 262 of the Penal Code is amended to read:

262. (a) Rape of a person who is the spouse of the perpetrator is an act of sexual intercourse accomplished under any of the following circumstances:

(1) Where it is accomplished against a person's will by means of force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the person or another.

(2) Where a person is prevented from resisting by any intoxicating or anesthetic substance, or any controlled substance, and this condition was known, or reasonably should have been known, by the accused.

(3) Where a person is at the time unconscious of the nature of the act, and this is known to the accused. As used in this paragraph, "unconscious of the nature of the act" means incapable of resisting because the victim meets one of the following conditions:

(A) Was unconscious or asleep.

(B) Was not aware, knowing, perceiving, or cognizant that the act occurred.

(C) Was not aware, knowing, perceiving, or cognizant of the essential characteristics of the act due to the perpetrator's fraud in fact.

(4) Where the act is accomplished against the victim's will by threatening to retaliate in the future against the victim or any other person, and there is a reasonable possibility that the perpetrator will execute the threat. As used in this paragraph, "threatening to retaliate" means a threat to kidnap or falsely imprison, or to inflict extreme pain, serious bodily injury, or death.

(5) Where the act is accomplished against the victim's will by threatening to use the authority of a public official to incarcerate, arrest, or deport the victim or another, and the victim has a reasonable belief that the perpetrator is a public official. As used in this paragraph, "public official" means a person employed by a governmental agency who has the authority, as part of that position, to incarcerate, arrest, or deport another. The perpetrator does not actually have to be a public official.

(b) As used in this section, "duress" means a direct or implied threat of force, violence, danger, or retribution sufficient to coerce a reasonable person of ordinary susceptibilities to perform an act which otherwise would not have been performed, or acquiesce in an act to which one otherwise would not have submitted. The total circumstances, including

the age of the victim, and his or her relationship to the defendant, are factors to consider in apprising the existence of duress.

(c) As used in this section, “menace” means any threat, declaration, or act that shows an intention to inflict an injury upon another.

(d) If probation is granted upon conviction of a violation of this section, the conditions of probation may include, in lieu of a fine, one or both of the following requirements:

(1) That the defendant make payments to a battered women’s shelter, up to a maximum of one thousand dollars (\$1,000).

(2) That the defendant reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant’s offense.

For any order to pay a fine, make payments to a battered women’s shelter, or pay restitution as a condition of probation under this subdivision, the court shall make a determination of the defendant’s ability to pay. In no event shall any order to make payments to a battered women’s shelter be made if it would impair the ability of the defendant to pay direct restitution to the victim or court-ordered child support. Where the injury to a married person is caused in whole or in part by the criminal acts of his or her spouse in violation of this section, the community property may not be used to discharge the liability of the offending spouse for restitution to the injured spouse, required by Section 1203.04, as operative on or before August 2, 1995, or Section 1202.4, or to a shelter for costs with regard to the injured spouse and dependents, required by this section, until all separate property of the offending spouse is exhausted.

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## CHAPTER 46

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

[Approved by Governor June 28, 2006. Filed with  
Secretary of State June 28, 2006.]

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

SECTION 1. (a) The sum of five million one hundred seventy-two thousand seven hundred sixty-nine dollars and sixty-six cents (\$5,172,769.66) is hereby appropriated from the various funds, as specified in subdivision (b), to the Executive Officer of the California Victim Compensation and Government Claims Board for the payment

of claims accepted by the board in accordance with the schedule set forth in subdivision (b).

(b) Pursuant to subdivision (a), claims accepted by the California Victim Compensation and Government Claims Board shall be paid in accordance with the following schedule:

Total for Fund: California Water Resources Development	
Bond Fund (0502) .....	\$19,429.08
Total for Fund: General Fund (0001) .....	\$523,512.27
Total for Fund: Item 0520-001-0001, Program 25.60 .....	\$8,493.09
Total for Fund: Item 0750-001-0001	
Budget Act of 2006 .....	\$30,517.38
Total for Fund: Item 0840-001-0001	
Budget Act of 2006, Program 60 .....	\$1,267.56
Total for Fund: Item 0860-001-0001	
Budget Act of 2006, Program 30 .....	\$12,474.00
Total for Fund: Item 1110-001-0767	
Budget Act of 2006, Program 72 .....	\$9,420.62
Total for Fund: Item 1730-001-0001	
Budget Act of 2006, Program 10 .....	\$256.00
Total for Fund: 1900-003-0830 (1)	
Budget Act of 2006, Program 30 .....	\$542.18
Total for Fund: Item 1900-003-0830	
Budget Act of 2006, Program 30 .....	\$2,909.87
Total for Fund: Item 1920-001-0835	
Budget Act of 2006, Program 10 .....	\$0.58
Total for Fund: Item 1955-001-9730	
Budget Act of 2006, Program 10.01 .....	\$1,257.86
Total for Fund: Item 2660-001-0042	
Budget Act of 2006, Program 20.10 .....	\$13,405.68
Total for Fund: Item 2740-001-0044	
Budget Act of 2006, Program 11 .....	\$9,079.90
Total for Fund: Item 2740-001-0064	
Budget Act of 2006 .....	\$433.00
Total for Fund: Item 3540-001-0001(1)	
Budget Act of 2006.....	\$2,252.50
Total for Fund: Item 3600-001-0001(1)	
Budget Act of 2006, Program 20 .....	\$6,942.30
Total for Fund: Item 3600-001-0001	
Budget Act of 2006, Program 25 .....	\$86,596.70
Total for Fund: Item 3860-001-3100	
Budget Act of 2006, Program 45 .....	\$4,907.65

Total for Fund: Item 3930-001-0106	
Budget Act of 2006, Program 10 .....	\$206.10
Total for Fund: Item 4170-001-0001	
Budget Act of 2006, Program 10 .....	\$7,440.00
Total for Fund: Item 4260-001-0001	
Budget Act of 2006, Program 20.40 .....	\$560.28
Total for Fund: Item 4260-001-0227	
Budget Act of 2006, Program 10.20 .....	\$312,818.20
Total for Fund: Item 4260-001-0890	
Budget Act of 2006, Program 10 .....	\$40,122.94
Total for Fund: Item 4260-001-0890	
Budget Act of 2006, Program 20.40 .....	\$279.72
Total for Fund: Item 4260-101-0001	
Budget Act of 2006, Program 20.10.030 .....	\$159,015.38
Total for Fund: Item 4300-001-0001(1)	
Budget Act of 2006, Program 10 .....	\$1,000.12
Total for Fund: Item 4300-003-0001	
Budget Act of 2006, Program 10 .....	\$2,983.46
Total for Fund: Item 4300-101-0001(2)	
Budget Act of 2006 .....	\$1,416.03
Total for Fund: Item 4440-011-0001	
Budget Act of 2006, Program 20 .....	\$445.05
Total for Fund: Item 5180-001-0001	
Budget Act of 2006, Program 25 .....	\$6,688.27
Total for Fund: Item 5180-001-0890	
Budget Act of 2006, Program 25 .....	\$325.60
Total for Fund: Item 5180-111-0001	
Budget Act of 2006, Program 25 .....	\$14,002.82
Total for Fund: Item 5225-001-0001	
Budget Act of 2006, Program 10 .....	\$2,056.03
Total for Fund: Item 5225-001-0001	
Budget Act of 2006, Program 20 .....	\$44,446.35
Total for Fund: Item 5225-001-0001	
Budget Act of 2006, Program 25 .....	\$8,414.29
Total for Fund: Item 5225-001-0001	
Budget Act of 2006, Program 50 .....	\$8,059.00
Total for Fund: Item 5225-101-0001	
Budget Act of 2006, Program 25 .....	\$3,640,369.92
Total for Fund: Item 5225-101-0001	
Budget Act of 2006, Program 30 .....	\$81,356.92
Total for Fund: Item 6110-001-0001	
Budget Act of 2006, Program 20 .....	\$687.47

Total for Fund: Item 6610-001-0001(1)	
Budget Act of 2006 .....	\$1,959.00
Total for Fund: Item 7100-001-0185	
Budget Act of 2006, Program 21 .....	\$10,956.50
Total for Fund: Item 7100-001-0588	
Budget Act of 2006, Program 21 .....	\$1,204.46
Total for Fund: Item 7100-001-0870	
Budget Act of 2006, Program 21 .....	\$72,736.52
Total for Fund: Item 7100-101-0588	
Budget Act of 2006, Program 21 .....	\$5,412.72
Total for Fund: Item 7100-101-0871	
Budget Act of 2006, Program 21 .....	\$7,008.74
Total for Fund: Item 7350-001-0001	
Budget Act of 2006, Program 50 .....	\$4,157.60
Total for Fund: Item 7350-001-0913	
Budget Act of 2006, Program 50 .....	\$2,842.70
Total for Fund: State Compensation Insurance	
Fund (0512) .....	\$99.25

SEC. 2. Upon the request of the California Victim Compensation and Government Claims Board in a form prescribed by the Controller, the Controller shall transfer surcharges and fees from the Budget Act items of appropriation identified in subdivision (b) of Section 1 to Item 1870-001-0001 of Section 2.00 of the Budget Act of 2006. For each Budget Act item of appropriation, this amount shall not exceed the cumulative total of the per claim filing fees authorized by subdivision (b) of Section 905.2 of the Government Code and the surcharge authorized by subdivision (f) of Section 905.2 of the Government Code. For those items in subdivision (b) that do not reflect a Budget Act appropriation, the Controller shall transfer an amount not to exceed the cumulative total of the per claim filing fees authorized by subdivision (b) of Section 905.2 of the Government Code and the surcharge authorized by subdivision (f) of Section 905.2 of the Government Code. This amount shall be transferred for support of the board as reimbursements to Item 1870-001-0001 of Section 2.00 of the Budget Act of 2006. The board shall provide a report of the amounts recovered pursuant to this authority to the Department of Finance within 90 days of the enactment of this act.

SEC. 3. (a) The sum of one million eight hundred forty-one thousand dollars (\$1,841,000) is hereby appropriated from the General Fund to the Executive Officer of the California Victim Compensation and Government Claims Board to pay claims resulting from county special election costs pursuant to Chapter 714 of the Statutes of 2005.

(b) This amount is based on, and reimbursement shall be provided at, a maximum rate of up to one dollar and thirty-seven cents (\$1.37) per registered voter or the actual amount claimed for nonconsolidated elections, whichever is less, and a maximum rate of up to sixty-six cents (\$0.66) per registered voter or the actual amount claimed for consolidated elections, whichever is less.

(c) The funds appropriated pursuant to this section may only be used to pay claims for special election costs authorized pursuant to Chapter 714 of the Statutes of 2005. Any funds appropriated in excess of the amounts actually required for the payment of these claims shall revert to the General Fund on June 30, 2007.

SEC. 4. Pursuant to Section 13965 of the Government Code, the Legislature hereby approves the report submitted by the California Victim Compensation and Government Claims Board on the following victim compensation claims:

Claim No. 733559 .....	\$39,279.89
Tom Rush .....	\$4,000.00

SEC. 5. The sum of seven hundred four thousand seven hundred dollars (\$704,700) is hereby appropriated from the General Fund to the Executive Officer of the California Victim Compensation and Government Claims Board for the payment of claims accepted by the board and reported to the Legislature pursuant to Section 4904 of the Penal Code, as follows:

Seven hundred four thousand seven hundred dollars (\$704,700) for payment of Claim No. 550759 (In the Matter of the Claim of John Stoll).

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

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## CHAPTER 47

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 2006. Filed with  
Secretary of State June 30, 2006.]

I object to the following appropriations contained in Assembly Bill 1801.

Item 0530-001-9732—For support of Secretary of California Health and Human Services Agency. I reduce this item from \$220,022,000 to \$214,622,000 by reducing:

(1) 30-Office of Systems Integration from \$220,022,000 to \$214,622,000.

This reduction conforms to the action taken in Item 5180-151-0001.

Item 0540-001-0001—For support of Secretary for Resources. I reduce this item from \$5,924,000 to \$5,824,000.

I am deleting the \$100,000 legislative augmentation for creation of a conservation easement registry at the Resources Agency. This information is already maintained and available at the county level.

Item 0540-001-0140—For support of Secretary for Resources. I revise this item by reducing:

(1) 10-Administration of Resources Agency from \$8,318,000 to \$8,218,000, and

(2.5) Amount payable from the General Fund (Item 0540-001-0001) from -\$5,924,000 to -\$5,824,000.

I am revising this item to conform to the action I have taken in Item 0540-001-0001.

Item 0860-001-0001—For support of the Board of Equalization. I reduce this item from \$208,522,000 to \$206,531,000 by reducing:

(1) 100000-Personal Services from \$279,795,000 to \$276,329,000;

(3) Reimbursements from -\$111,169,000 to -\$110,190,000;

(4) Amount payable from the Breast Cancer Fund  
(Item 0860-001-0004) from -\$377,000 to -\$374,000;

(5) Amount payable from the State Emergency Telephone Number Account  
(Item 0860-001-0022) from -\$581,000 to -\$575,000;

(6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax  
Fund

(Item 0860-001-0061) from -\$19,549,000 to -\$19,366,000;

(7) Amount payable from the Occupational Lead Poisoning Prevention Account  
(Item 0860-001-0070) from -\$644,000 to -\$638,000;

(8) Amount payable from the Childhood Lead Poisoning Prevention Fund  
(Item 0860-001-0080) from -\$469,000 to -\$464,000;

(9) Amount payable from the Cigarette and Tobacco Products Surtax Fund  
(Item 0860-001-0230) from -\$4,812,000 to -\$4,767,000;

(10) Amount payable from the Oil Spill Prevention and Administration Fund  
(Item 0860-001-0320) from -\$238,000 to -\$236,000;

- (11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387) from -\$413,000 to -\$408,000;
- (12) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0860-001-0439) from -\$2,112,000 to -\$2,092,000;
- (13) Amount payable from the Energy Resources Programs Account (Item 0860-001-0465) from -\$234,000 to -\$232,000;
- (14) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623) from -\$7,457,000 to -\$7,388,000;
- (15) Amount payable from the Federal Trust Fund (Item 0860-001-0890) from -\$1,167,000 to -\$1,156,000;
- (16) Amount payable from the Timber Tax Fund (Item 0860-001-0965) from -\$2,168,000 to -\$2,148,000;
- (17) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015) from -\$406,000 to -\$404,000;
- (18) Amount payable from the Water Rights Fund (Item 0860-001-3058) from -\$417,000 to -\$412,000;
- (19) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 0860-001-3065) from -\$4,950,000 to -\$4,904,000; and
- (20) Amount payable from the Cigarette and Tobacco Products Compliance Fund (Item 0860-001-0367) from -\$7,043,000 to -\$6,977,000.

With this reduction, the Board of Equalization's (BOE) estimated salary savings will conform to the standard 5 percent level generally required of all state agencies. I understand BOE proposed to use part of the additional funding for auditor recruitment and retention initiatives and to increase hiring. However, the collective bargaining agreement negotiated between the state and the respective exclusive representatives provides significant incentives to encourage auditor recruitment and retention for all state agencies. I believe this issue is best addressed on a statewide basis, instead of through the actions of individual departments.

Item 0860-001-0004—For support of State Board of Equalization. I reduce this item from \$377,000 to \$374,000.

I am reducing this item by \$3,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0022—For support of State Board of Equalization. I reduce this item from \$581,000 to \$575,000.

I am reducing this item by \$6,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0061—For support of State Board of Equalization. I reduce this item from \$19,549,000 to \$19,366,000.

I am reducing this item by \$183,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0070—For support of State Board of Equalization. I reduce this item from \$644,000 to \$638,000.

I am reducing this item by \$6,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0080—For support of State Board of Equalization. I reduce this item from \$469,000 to \$464,000.

I am reducing this item by \$5,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0230—For support of State Board of Equalization. I reduce this item from \$4,812,000 to \$4,767,000.

I am reducing this item by \$45,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0320—For support of State Board of Equalization. I reduce this item from \$238,000 to \$236,000.

I am reducing this item by \$2,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0387—For support of State Board of Equalization. I reduce this item from \$413,000 to \$408,000.

I am reducing this item by \$5,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0439—For support of State Board of Equalization. I reduce this item from \$2,112,000 to \$2,092,000.

I am reducing this item by \$20,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0465—For support of State Board of Equalization. I reduce this item from \$234,000 to \$232,000.

I am reducing this item by \$2,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0623—For support of State Board of Equalization. I reduce this item from \$7,457,000 to \$7,388,000.

I am reducing this item by \$69,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0890—For support of State Board of Equalization. I reduce this item from \$1,167,000 to \$1,156,000.

I am reducing this item by \$11,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-0965—For support of State Board of Equalization. I reduce this item from \$2,168,000 to \$2,148,000.

I am reducing this item by \$20,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-3015—For support of State Board of Equalization. I reduce this item from \$406,000 to \$404,000.

I am reducing this item by \$2,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-3058—For support of State Board of Equalization. I reduce this item from \$417,000 to \$412,000.

I am reducing this item by \$5,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-3065—For support of State Board of Equalization. I reduce this item from \$4,950,000 to \$4,904,000.

I am reducing this item by \$46,000 to conform with the action taken in Item 0860-001-0001.

Item 0860-001-3067—For support of State Board of Equalization. I reduce this item from \$7,043,000 to \$6,977,000.

I am reducing this item by \$66,000 to conform with the action taken in Item 0860-001-0001.

Item 1700-001-0001—For support of Department of Fair Employment and Housing. I reduce this item from \$15,487,000 to \$15,237,000 by reducing:

- (1) 50-Administration of Civil Rights Law from \$20,995,000 to \$20,745,000, and by deleting Provision 1.

I am deleting the legislative augmentation of \$250,000 for a mediation program. The Department has indicated that this amount is insufficient to implement such a program. The Department implemented a mediation program several years ago at an approximate annual cost of \$1,000,000. Though this program was discontinued due to budget cuts, it is unclear whether a program could be implemented at a lower cost with any likelihood of success.

I am also deleting Provision 1, which would require the department to redirect \$250,000 from other program areas to help institute the mediation program. The Department cannot redirect this money without negatively impacting the mandated services it provides under the Fair Employment and Housing Act.

Item 2240-104-0001—For transfer, as an expenditure, by the Controller to the Self-Help Housing Fund. I delete this item.

I am deleting the \$500,000 legislative augmentation to provide funding for construction management grants in the Self-Help Housing Program. Notwithstanding the merits of the program, this reduction is necessary to limit program expansions and provide for a prudent General Fund reserve. In addition, if approved by voters in November, the Strategic Growth Plan housing bond will provide \$10,000,000 in new bond funding for this program.

I am deleting Provision 1 to conform to this action.

Item 2240-105-0001—For transfer, as an expenditure, upon order of the Director of Finance, to the Emergency Housing and Assistance Fund.

I am sustaining \$864,000 General Fund for the Emergency Housing Assistance Program in this item to continue shelter beds during a transition period while new beds are developed under my Initiative to End Chronic Homelessness. Over the past two years, \$110,000,000 has been made available to construct permanent housing with supportive services for individuals with mental illness who are chronically homeless, with \$75,000,000 available ongoing.

Item 2660-001-0890—For support of Department of Transportation. I reduce this item from \$547,224,000 to \$539,054,000.

I am deleting the \$8,170,000 legislative augmentation to increase funding in the Capital Outlay Support Program to conform to my action in Item 2660-001-0042.

Item 2660-002-3007—For support of Department of Transportation. I reduce this item from \$29,001,000 to \$28,929,000 by reducing:

- (1) 20.10—Highway Transportation Capital Outlay Support from \$28,275,000 to \$28,203,000.

I am deleting the \$72,000 legislative augmentation to increase funding in the Capital Outlay Support Program to conform to my action in Item 2660-001-0042.

Item 3110-101-0001—For support of Special Resources Program. I delete this item.

I am deleting the \$148,000 legislative augmentation that would increase funding for employee compensation and price increases in the Tahoe Regional Planning Agency (TRPA). This funding is unnecessary because trailer bill language associated with this Budget Act provides authority to make baseline salary and price increase adjustments for TRPA in the same manner as for other state agencies. Any necessary funding will be provided through that mechanism once the appropriate amounts are known.

Item 3720-001-0001—For support of California Coastal Commission. I reduce this item from \$11,145,000 to \$10,795,000 by reducing:

- (2) 20-Coastal Energy Program from \$1,069,000 to \$719,000.

I am deleting the \$350,000 legislative augmentation for the review of Liquefied Natural Gas proposals and directing that any necessary reviews be accomplished within existing resources. With this reduction, \$791,000 still remains in the Commission's coastal energy program for these activities.

Item 3760-001-0565—For support of State Coastal Conservancy. I revise this item by reducing:

- (2) 25-Coastal Resource Enhancement from \$5,114,000 to \$4,614,000, and
- (5) Reimbursements from -\$621,000 to -\$121,000.

I am revising this item to conform to the action I have taken in Item 3600-001-0001.

Item 3900-101-0044—For local assistance, State Air Resources Board. I reduce this item from \$20,111,000 to \$10,111,000 by reducing:

- (1) 35-Subvention from \$20,111,000 to \$10,111,000.

I am deleting the \$10,000,000 legislative augmentation for subventions to local air districts. This action is necessary because planned and anticipated expenditures limit the resources available in the Motor Vehicle Account to support new expenditures. With this action, \$10,111,000 still remains for local air districts. Furthermore, local communities will benefit from numerous air quality augmentations, including \$3,998,000 to enhance existing air pollution enforcement efforts, and \$1,665,000 to reduce air pollution related to goods movement.

Item 4120-115-0001—For transfer, as an expenditure, by the State Controller to the Trauma Care Fund. I delete this item.

I am deleting the \$10,000,000 legislative augmentation for trauma care services and provisional language within this item. I sustained a similar augmentation in the Budget Act of 2005 and noted the funding was available on a one-time basis in order to provide temporary financial relief. This Budget includes resources that will benefit the hospital system broadly, including an additional \$154.7 million for surge capacity, approximately \$671 million in additional funding for financially distressed hospitals for five years as part of the new Hospital Financing Waiver, and an additional \$36.8 million in realignment funding for county public health services, including services for indigent patients. Finally, local governments will retain an additional \$1.3 billion in property tax revenue in 2006-07 with the expiration of the Educational Revenue Augmentation Fund III shifts, and will receive \$700 million more in property tax revenue due to the Vehicle License Fee swap than they otherwise would have. Cities and counties have the discretion to commit a portion of this funding to local trauma systems.

I am also deleting Provision 8 of Item 4260-001-0001 to conform to this action.

Item 4200-101-0001—For local assistance, Department of Alcohol and Drug Programs. I revise this item by reducing:

(1) 15-Alcohol and Other Drug Services Program from \$439,936,000 to \$439,336,000, and

(2) Reimbursements from -\$18,995,000 to -\$18,395,000.

I am revising this item to conform to the action I have taken in Item 5180-101-0890 relating to Indian Health Clinics.

Item 4200-102-0001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$3,431,000 to \$3,317,000 by reducing:

(1) 15-Alcohol and Other Drug Services Program from \$6,863,000 to \$6,634,000;

(2) Reimbursements from -\$3,432,000 to -\$3,317,000;

and by revising Provision 5.

I am reducing the legislative augmentation which would have provided funding to increase Drug Medi-Cal rates by a total of \$2,299,000. Of this total amount, \$114,000 is reduced from Item 4200-102-0001, and \$2,185,000 is reduced from Item 4200-103-0001. This program received a rate increase in 2005-06. With the reduction to Item 4200-102-0001, \$6,634,000 remains to support the Perinatal Drug Medi-Cal Program.

I am revising the dollar amount specified in Provision 5 to conform to the actions taken in this item and Item 4200-103-0001.

"5. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, ~~\$2,300,000~~ \$1,000 from the General Fund, and corresponding reimbursements, are for the purpose of augmenting Drug Medi-Cal rates above the rates that were authorized in regulation for the 2005–06 fiscal year. The department shall establish increases in maximum Drug Medi-Cal reimbursement rates during the 2006–07 fiscal year to reflect the General Fund moneys and reimbursements specified in this item."

Item 4200-103-0001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$68,775,000 to \$66,590,000 by reducing:

(1) 15-Alcohol and Other Drug Services Program from \$131,431,000 to \$127,062,000;

(2) Reimbursements from -\$62,656,000 to -\$60,472,000;

and by revising Provision 6.

I am reducing this legislative augmentation to conform with my actions in Item 4200-102-0001. These funds would have provided funding to increase the Drug Medi-Cal rates by \$2,185,000. With this reduction, \$127,062,000 remains to support the regular Drug Medi-Cal program.

I am revising the dollar amount specified in Provision 6 to conform to the actions taken in this item and Item 4200-102-0001.

"6. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, ~~\$2,300,000~~ \$1,000 from the General Fund and corresponding reimbursements are for the purpose of augmenting Drug Medi-Cal rates above the rates that were authorized in regulation for the 2005–06 fiscal year. The department shall establish increases in maximum Drug Medi-Cal reimbursement rates during the 2006–07 fiscal year to reflect the General Fund and reimbursement moneys specified in this item."

Item 4260-101-0001—For local assistance, Department of Health Services. I reduce this item from \$13,444,722,000 to \$13,432,571,000 by reducing:

(1) 20.10.010-Eligibility (County Administration) from \$2,330,731,000 to \$2,326,927,000;

(3) 20.10.030-Benefits (Medical Care Services) from \$30,140,437,000 to \$30,116,882,000;

(8) Amount payable from the Federal Trust Fund (Item 4260-101-0890) from -\$19,215,038,000 to -\$19,199,830,000; and by deleting Provisions 12, 13, and 15.

I am deleting the legislative augmentation of \$9,349,000 to provide funding for Medi-Cal managed care plans in the event of financial distress. My May Revision proposal provides rate increases to six managed care plans at risk of falling beneath 200 percent of their tangible net equity. My proposal was based upon a comprehensive financial review of plans by the Department of Health Services.

I am deleting Provision 15 and the legislative augmentation of \$9,351,000 in Item 4260-101-0890 to conform to this action.

I am deleting the legislative augmentation of \$300,000 to fund a study of the impact that the Federal Deficit Reduction Act (DRA) may have on pharmacy reimbursement. A rate study is premature at this time since it is unknown when the DRA changes will be implemented. As part of next year's budget development process, the Department of Health Services will evaluate whether a pharmacy reimbursement rate study is necessary.

I am deleting Provision 13 and the legislative augmentation of \$300,000 in Item 4260-101-0890 to conform to this action.

I am deleting the legislative augmentation of \$2,502,000 that was provided to increase the rates paid to Medi-Cal non-emergency transport providers. With this reduction, approximately \$82,900,000 still remains to compensate the providers of non-emergency transport services.

I am deleting the legislative augmentation of \$2,353,000 in Item 4260-101-0890 to conform to this action.

I am deleting Provision 12 because counties are not anticipated to have increased costs related to the *Conlan v. Shewry* settlement agreement.

I am deleting the legislative augmentation of \$3,204,000 in Item 4260-101-0890 to conform to the action taken in 5180-141-0001 regarding workstation replacement and help desk support of the Statewide Automated Welfare System.

I am sustaining the \$100,000 legislative augmentation for podiatry services related to eliminating the Treatment Authorization Request (TAR) process. I am directing the Department of Health Services to monitor and audit these podiatry services so that there will not be an inappropriate utilization of Medi-Cal Services.

I am sustaining the \$12,127,000 legislative augmentation for county administration reimbursement. However, I welcome the opportunity to work with the Legislature to develop a new county reimbursement methodology for programs funded through the Department of Health Services, Department of Alcohol and Drug Programs, Department of Child Support Services, and the Department of Social Services, that will provide the ability to contain county reimbursement to a reasonable level.

Item 4260-101-0890—For local assistance, Department of Health Services. I reduce this item from \$19,215,038,000 to \$19,199,830,000.

I am reducing this item by \$15,208,000 to conform to my action in Item 4170-101-0001, Item 4260-101-0001, and Item 5180-141-0001.

Item 4440-011-0001—For support of the State Hospitals, Department of Mental Health. I delete Provision 8.

Provision 8 would require the department to provide an update by January 10, 2007 on the status of the operation of the adolescent unit at Metropolitan State Hospital (MSH), including whether construction of the onsite school is warranted. On May 8, 2006, the

Legislature was notified of the termination of the school building project because the number of youths in the MSH's Children's Program has declined significantly, making construction of the school unnecessary. The department will provide information regarding the operation of the adolescent unit at MSH with the release of the 2007-08 Governor's Budget.

Item 5175-101-0001—For local assistance, Department of Child Support Services.

I am sustaining on a one-time basis the \$4,000,000 General Fund augmentation for local child support agency administration. The Department of Child Support Services, in consultation with local child support agencies, is in the process of developing a new funding allocation methodology intended to improve overall child support program performance. I am sustaining this funding to allow the department to evaluate the effectiveness of distributing funding according to this new allocation methodology in order to improve performance on state and federal child support program measures. If this augmentation and associated allocation methodology proves to directly improve performance, then I direct the department to consider options to utilize a performance-based methodology on a broader scale.

Item 5180-001-0001—For support of Department of Social Services. I reduce this item from \$88,889,000 to \$87,569,000 by reducing:

- (1) 16-Welfare Programs from \$64,579,000 to \$63,579,000;
- (2) 25-Social Services and Licensing from \$146,826,000 to \$146,470,000; and
- (10) Amount payable from the Federal Trust Fund (Item 5180-001-0890) from -\$345,298,000 to -\$345,262,000.

I am deleting the \$1,000,000 legislative augmentation for the Farm to Family and Donate/Don't Dump programs. Though I share the Legislature's desire to improve the statewide distribution of donated produce, these programs currently are operating without General Fund resources and should continue to pursue private investments.

I am also deleting the legislative augmentation of \$356,000 (\$320,000 General Fund and \$36,000 Federal Trust Fund) which would provide funding to make Community Care Licensing facility and compliance data available to the public on the Internet. I am fully supportive of efforts in this area, but the department must complete the necessary information technology planning process and should evaluate the possibility of using existing resources for this purpose.

Item 5180-001-0803—For support of Department of Social Services. I reduce this item from \$218,000 to \$208,000.

I am deleting the \$10,000 legislative augmentation which would provide funding to make Community Care Licensing facility and compliance data available to the public on the Internet. I am fully supportive of efforts in this area. Consistent with my action in

Item 5180-001-0001, I am directing the Department of Social Services to complete the necessary information technology planning requirements and evaluate the possibility of using existing resources for this purpose.

Item 5180-001-0890—For support of Department of Social Services. I reduce this item from \$345,298,000 to \$345,262,000.

I am reducing 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 \$4,946,754,000 to \$4,941,154,000, and



(6) Amount payable from the Federal Trust Fund (Item 5180-101-0890) from -\$3,833,619,000 to -\$3,828,019,000.

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 \$3,833,619,000 to \$3,828,019,000 and delete Provision 5.

I am deleting the \$5,000,000 legislative augmentation in federal Temporary Assistance for Needy Families (TANF) Block Grant funds for the CalWORKs program to reflect the level of savings in the May Revision for ongoing welfare reform efforts initiated in

2004-05. The Legislature increased funding for this program based on concerns that estimated savings in prior subventions have not materialized. However, the May Revision already adjusted the savings from my January Budget as the result of a revised welfare reform methodology and implementation schedule. As welfare reform efforts continue, additional adjustments, if necessary, will be appropriately reflected in my proposed January Budget for 2007-08.

I am deleting the \$600,000 legislative augmentation in TANF Block Grant funds for CalWORKs Indian Health Clinics. The Legislature's augmentation did not reflect an analysis of data or outcome measures indicating that the current funding level is insufficient. This veto maintains funding for Indian Health Clinics at the level proposed in the May Revision.

I am deleting Provision 5, as this language is unnecessary. The Legislature included language with the same effect in the social services budget trailer bill. Having language in both the Budget Act and the trailer bill is duplicative and may cause confusion related to compliance.

Item 5180-141-0001—For local assistance, Department of Social Services. I reduce this item from \$437,339,000 to \$432,625,000 by reducing:

(1) 16.75-County Administration and Automation Projects from \$1,055,060,000 to \$1,043,686,000;

(2) Reimbursements from -\$57,397,000 to -\$54,203,000; and

(3) Amount payable from the Federal Trust Fund (Item 5180-141-0890) from -\$560,324,000 to -\$556,858,000.

I am deleting the legislative augmentation of \$11,374,000 (\$4,714,000 General Fund, \$3,194,000 Reimbursements, and \$3,466,000 Federal Trust Fund) for workstation replacement and help desk support of the Statewide Automated Welfare System, including the CalWORKs Information Network. Although I understand that workstations need to be replaced on a regular basis, workstation replacement costs should be paid from funds provided for general county administration. In addition, the Budget already provides increased funding for county help desk staff.

I am also reducing \$3,204,000 in Item 4260-101-0890 to conform to this action.

Item 5180-141-0890—For local assistance, Department of Social Services. I reduce this item from \$560,324,000 to \$556,858,000.

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 \$912,253,000 to \$909,599,000 by reducing:

(1) 25.30-Children and Adult Services and Licensing from \$2,392,442,000 to \$2,387,042,000;

(3) Reimbursements from -\$99,626,000 to -\$99,173,000; and

(6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from

-\$1,399,979,000 to -\$1,397,686,000.

I am deleting the legislative augmentation of \$5,400,000 (\$2,654,000 General Fund, \$453,000 Reimbursements, and \$2,293,000 Federal Trust Fund) for Child Welfare Services/Case Management System (CWS/CMS) county workstation replacement. Although I understand that workstations need to be replaced on a regular basis, workstation replacement costs should be paid from funds provided for general county administration. In addition, since many workstations include functionalities that are not related to the CWS/CMS program, this augmentation is unnecessary.

I am also deleting the legislative augmentation of \$5,400,000 in Item 0530-001-9732 to conform to this action.

Item 5180-151-0890—For local assistance, Department of Social Services. I reduce this item from \$1,399,979,000 to \$1,397,686,000.

I am reducing this item to conform to the action I have taken in Item 5180-151-0001.

Item 5225-002-0001—For support of Department of Corrections and Rehabilitation. I delete Provision 6.

I am deleting Provision 6, which would limit the expenditure of funds appropriated for the Inmate Dental Plan required by the *Perez v. Tilton* lawsuit pending the submission of the court required staffing study to the Joint Legislative Budget Committee (JLBC). The Administration will provide this report to the JLBC when it is available; however, I am vetoing this language because it could limit the Department's ability to implement this plan and meet court requirements.

I am sustaining Provision 7, which will require the Department to establish guidelines for the use of telemedicine, establish performance targets, and provide the Legislature with a written report regarding meeting the performance targets. The Administration is supportive of establishing appropriate guidelines and performance measures. However, compliance will be at the discretion of the Receiver appointed by the federal court in *Plata v. Schwarzenegger* to oversee the provision of medical services to inmates.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$48,902,000 to \$47,816,000 by reducing:

- (1) 10-Instruction from \$58,451,000 to \$57,831,000,
  - (2) 20-Instructional Support from \$100,127,000 to \$99,661,000;
- and by deleting Provisions 27 and 30.

I am reducing this item by \$320,000 for increased compensation for Administrative Law Judges concerning dispute resolution services for special education. This legislative augmentation is unnecessary, as funding is already included in a separate item for employee compensation adjustments.

I am deleting Provision 30 to conform to this action.

I am reducing this item by \$300,000 for a study of the special education funding formula's Special Disabilities Adjustment. I note that a similar study funded in the 2002 Budget Act failed to update the adjustment factors in a satisfactory manner, and I see no compelling reason to believe that a second study will bring greater clarity to the issue.

I am deleting Provision 27 to conform to this action.

I am reducing a legislative augmentation by \$466,000 and 5.0 positions to oversee management teams and trustees of state-sanctioned schools. Instead, I am sustaining \$130,000 and 1.0 position for these purposes. I believe an increase in staff to the higher level is unnecessary because there are very few schools that will be subject to oversight

by a management team or a trustee. Further, these oversight responsibilities can be absorbed within existing resources because the department's staffing levels were never reduced to reflect the phase-out of the Immediate Intervention/Underperforming Schools Program.

Item 6110-126-0890—For local assistance, Department of Education. I reduce this item from \$158,937,000 to \$143,837,000 and delete Provisions 10, 11, 12, and 13.

I am reducing \$15,100,000 in federal Reading First carryover expenditure authority from prior years and deleting the provisional language associated with it. I am concerned that this language both proposes to initiate a new cohort of grant recipients, and would require subsequent legislation to define the criteria by which currently participating districts are determined to be making progress in the program and thus, whether current grant recipients continue to receive funding. This language is an attempt to enact substantive law in the Budget Act rather than in a single subject bill as required by the Constitution.

Further, this proposal is inconsistent with the approved federal Reading First State Plan which appropriately gives the authority to define "significant progress" to the State Board of Education (SBE) as the State Educational Agency responsible for implementation of the federal No Child Left Behind Act. The SBE has been working with constituents to develop a fair and meaningful definition of "significant progress" and should be allowed to continue their work. Finally, the addition of a new cohort in the fifth year of a six-year program may serve to undermine the overall performance of the state's Reading First program and, therefore, jeopardize future funding for this program if it is reauthorized at the federal level. I am willing to support a substantive bill that maintains the authority of the SBE to define "significant progress", extends availability of funding for existing cohorts for the 5<sup>th</sup> and 6<sup>th</sup> years, and avoids creation of a new cohort of grant recipients.

Item 6110-203-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from \$130,892,000 to \$93,092,000 by reducing:

- (1) 30.20.010-Child Nutrition Programs from \$131,234,000 to \$93,434,000, and by deleting Provision 6.

I am deleting \$37,800,000 legislative augmentation because the Legislature did not link this funding to legislation that would require schools to improve the nutritional quality of meals served to California students. With the progress we have made thus far in limiting "junk food" on school campuses and placing greater emphasis on student consumption of fruits and vegetables, I believe that improved nutritional quality is a critical additional step to battling childhood obesity and improving our students' health. I am therefore setting these funds aside for appropriation in subsequent legislation.

I am deleting Provision 6 to conform to this action.

Item 6360-001-0001—For support of the Commission on Teacher Credentialing. I delete this item.

I am deleting this item to eliminate the \$227,000 legislative augmentation to support the rate increase for the Paraprofessional Teacher Training Program in Item 6360-101-0001 because a rate increase does not drive any substantive additional workload.

Item 6600-001-0001—For support of Hastings College of the Law. I reduce this item from \$10,924,000 to \$10,671,000.

I am reducing the one-time legislative augmentation for relocation costs related to a capital outlay project to correct code deficiencies in an academic facility from \$776,000 to \$523,000. Pursuant to the compact for Higher Education, the Budget includes \$253,000

which may be spent for this purpose at the discretion of the College. This action is necessary to limit program expansions and provide for a prudent General Fund reserve.

Item 6610-002-0001—For support of California State University. I reduce this item from \$3,121,000 to \$2,991,000 by reducing:

- (3) Assembly Fellows from \$601,687 to \$565,287;
- (4) Senate Fellows from \$601,687 to \$565,287;
- (5) Executive Fellows from \$601,687 to \$565,287; and
- (6) Judicial Fellows from \$422,939 to \$402,139.

I am reducing the \$230,000 legislative augmentation for the Capital Fellows Programs by \$130,000. Given the 3 percent increase that was already included in the January Budget for this program, the remaining \$100,000 augmentation would reflect a 6.6 percent increase for inflationary pressures. This should be sufficient to effectively maintain the program. Should the Chancellor of the California State University believe this amount to be insufficient, he may allocate funds for this purpose from Item 6610-001-0001.

Item 6610-004-0001—For support of California State University. I delete this item.

I am deleting this item which reflects a legislative augmentation of \$112,000 to support California's membership in the Western Interstate Commission for Higher Education (WICHE). When acting on the 2004 Budget, the Legislature deleted funding for membership dues for WICHE, as well as other state membership dues because of the fiscal condition of the state. This reduction continues to be necessary to provide for a prudent General Fund reserve. Both the University of California and the California State University may elect to provide funding for this purpose to the extent the benefits of membership in this organization are worthwhile.

Item 6870-001-0001—For support of Board of Governors of the California Community Colleges. I reduce this item from \$9,472,000 to \$9,397,000 by reducing:

- (2) 20-Special Services and Operations from \$16,392,000 to \$16,317,000.

I am reducing Schedule (2) to eliminate the \$75,000 legislative augmentation for additional staffing at the Chancellor's Office. Three positions were added to the Chancellor's Office in the Budget Act of 2005 for the same purposes and remain available in the budget year for these purposes. These resources are sufficient for supporting local assistance programs in 2006-07.

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I reduce this item from \$3,772,712,000 to \$3,763,712,000 by reducing:

- (11) 20.20.050-Part-time Faculty Health Insurance from \$6,000,000 to \$1,000,000, and
- (13) 20.20.055-Part-time Faculty Office Hours from \$11,172,000 to \$7,172,000.

I am reducing schedule (11) by \$5,000,000 and schedule (13) by \$4,000,000 to delete the legislative augmentations for both the respective Part-time Faculty Health Insurance and Part-time Faculty Office Hours Programs. However, I am setting these amounts aside for legislation that restores these funds for the Career Technical Education Program.

The part-time faculty programs were established to provide incentive grants to districts to increase their investments in part-time faculty benefits and were not intended to require additional state contributions. Given the significant increases in general purpose funding in this budget, districts have more than adequate resources to support these programs at local discretion. Moreover, I am committed to increasing the \$20,000,000 ongoing funding remaining in the budget for Career Technical Education, after the Legislature's \$30,000,000

reduction to my proposed budget. Given the magnitude of work that remains to be done to reinvigorate and align career technical education programs in our high schools and community colleges, I am setting these funds aside for appropriation for that purpose in subsequent legislation.

Item 7980-001-0784—For support of California Student Aid Commission. I reduce this item from \$15,379,000 to \$15,279,000 by reducing:

- (1) 15-Financial Aid Grants Program from \$13,848,000 to \$13,748,000, and by deleting Provision 5.

I am deleting the \$100,000 legislative augmentation for 1.0 position for purposes of administering the Public Interest Attorney Loan Repayment Program to conform to my action on item 7980-101-0001.

I am deleting Provision 5 to conform to this action.

Item 7980-101-0001—For local assistance, California Student Aid Commission. I am revising Provision 1(d) and deleting Provision 10.

I am reducing the number of loan assumption warrants authorized in Provision 1(d) for the Assumption Program of Loans for Education by 600 and setting aside this amount of new warrants for authorization in subsequent legislation that would specify their use exclusively for students participating in the Science and Math Teacher Initiative as proposed in my January Budget. Given the significant shortage of highly talented science and math teachers in our public school system, my January Budget contained a modest, but important component of the initiative that has been funded in the last two budgets for the University of California and the California State University systems. I continue to propose assumption of loans for these students in order to provide greater certainty of securing the most proficient science and math teachers possible which is critical to California's future economic well being.

I am revising Provision 1(d) to conform to this action as follows:

"1(d). 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~~<sup>7,400</sup> new warrants."

Additionally, I am deleting the legislative language augmentation included in Provision 10 that authorizes 100 new warrants for the Public Interest Attorney Loan Repayment Program. Because the education trailer bill would delete the provisions of current law that authorize donations for the purpose of funding this program, these warrants would require General Fund repayment in future years. Therefore, this action is necessary to limit program expansions.

I am deleting Provision 10 to conform to this action.

Item 7100-101-0869—For local assistance under Workforce Investment Act (WIA), Employment Development Department. I delete Provision 2 of this item.

This language would have the effect of unilaterally augmenting the formula allocations for some Local Workforce Investment Areas (LWIAs), while decreasing the total funding available for other LWIAs that may need additional assistance as a result of recent worker dislocations.

I agree that the concern addressed by this language has merit, but it would not solve the underlying issue of fairness with regard to the division of funds based on mass layoff data. The California Workforce Investment Board is currently working on a report that will address the distribution of the federal Workforce Investment Act funds. Additionally,

until the report is finalized, the Employment Development Department already has a process for LWIAs to apply for and receive additional funding when the formula allocation does not adequately reflect the demand for services. This process has been successfully used by LWIAs in the past to quickly receive additional funding when necessary. Consequently, for these reasons I am vetoing this language.

Item 7350-001-0001—For support of Department of Industrial Relations. I reduce this item from \$65,603,000 to \$64,103,000 by reducing:

(5) 40-Division of Occupational Safety and Health from \$88,966,000 to \$87,466,000,

and by deleting Provisions 2 and 3.

I am deleting the legislative augmentation that provided \$1,500,000 and 15.2 personnel years to improve the ratio of Cal/OSHA inspectors to the civilian workforce. The Legislative Analyst's Office provided a study on Cal/OSHA inspections which demonstrates that the levels of workplace injuries and fatalities in California are well below the national average. Furthermore, Cal/OSHA has a number of inspector positions that are vacant and have been historically difficult to fill. With this reduction, \$87,466,000 still remains to support Cal/OSHA.

I am deleting Provision 2 which would require \$1,500,000 of the amount scheduled in Program 50 to be expended solely to reduce wage claim hearing backlogs and to increase field enforcement in specified industries. This language is unduly restrictive and could undermine the Division's targeted enforcement efforts.

I am deleting Provision 3 that would redirect the revenues collected from Farm Labor Contractor license fees. This provision would increase the amount directed to the Farmworker Remedial Account from \$50 to \$150, and would decrease the amount of funds directed to the General Fund from \$450 to \$350 for the 2006-07 fiscal year. This language is unnecessary because proposed budget trailer bill language will redirect the funds in a similar manner on an ongoing basis.

Item 8570-001-0001—For support of Department of Food and Agriculture. I reduce this item from \$76,457,000 to \$75,457,000 by reducing:

(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention from \$107,877,000 to \$106,877,000.

I am reducing the legislative augmentation for the Noxious Weed Management Program by \$1,000,000. While I understand that this program is to protect and enhance the economy and natural environment of California and that current activities are not sufficient to adequately address the problems associated with noxious and invasive weeds, the remaining funds will provide a sufficient level of funding to leverage local and federal funds to continue efforts in this area.

Item 8570-101-0001—For local assistance, Department of Food and Agriculture.

I am sustaining the \$3,000,000 legislative augmentation related to high-risk pest exclusion and the language requiring a specific allocation methodology for the distribution of these funds. Further, I am directing the Department to convene the High Risk Pest Exclusion Working Group and determine the distribution of these funds within 45 days of signature of this bill with contracts awarding these funds to immediately follow.

Item 8660-001-0461—For support of Public Utilities Commission. I reduce this item from \$9,292,000 to \$8,725,000.

I am reducing this item by \$567,000 to conform to the action I have taken in Item 8660-001-0462.

Item 8660-001-0462—For support of Public Utilities Commission. I reduce this item from \$74,778,000 to \$73,198,000 by reducing:

- (1) 10-Regulation of Utilities from \$108,830,000 to \$106,827,000;
- (3) 20-Regulation of Transportation from \$17,358,000 to \$16,791,000;
- (10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461) from -\$9,292,000 to -\$8,725,000; and
- (18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089) from -\$20,175,000 to -\$19,752,000.

The Legislature augmented the Public Utilities Commission's budget by \$5,607,000 and 58.5 positions to meet increased workload demands. I am sustaining \$3,037,000 and 33.0 positions to perform critical climate change activities and to meet workload demands in the Energy Division, Water Division, Telecommunications Division, and the Division of Ratepayer Advocates. However, I am vetoing \$2,570,000 and 25.5 positions of the augmentation because they are not justified on a workload basis.

Item 8660-001-3089—For support of Public Utilities Commission. I reduce this item from \$20,175,000 to \$19,752,000.

I am reducing this item by \$423,000 to conform to the action I have taken in Item 8660-001-0462.

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 \$(20,175,000) to \$(19,752,000).

I am reducing this item by \$423,000 to conform to the action I have taken in Items 8660-001-0462 and 8660-001-3089.

Item SEC. 24.55—California Research and Education Network. Specified Use of Funds and Reporting Requirements for the California Research and Education Network (CalREN). I revise this Control Section to eliminate requirements related to assets purchased primarily with state funds because they are overly restrictive and inequitable to other entities that have contributed funds for this equipment.

Participants in the Corporation for Education Network Initiatives in California (CENIC) and CalREN include private colleges and educational institutions from other states. Therefore, the language in this control section that requires that any assets purchased primarily with state moneys be transferred to the state if CENIC no longer manages the network is inappropriate. Disposition of jointly purchased and shared assets should be determined by all affected parties, including California educational institutions, in the unlikely scenario that CENIC no longer manages the Network. Further, this section appears to violate the separation of powers provision of the California Constitution in that it impairs the ability of the University of California, the California State University, and the Executive Branch to administer the program and determine the appropriate allocation of assets. Also, it appears to violate the prohibition against the impairment of the obligation of contracts in that it impairs the existing agreements among the members of CENIC.

I am revising Control Section 24.55 to conform as follows:

"SEC. 24.55. (a) For the purposes of this section, "educational institutions" means the University of California (UC), upon the approval of its Board of Regents, the California State University (CSU), the California Community Colleges (CCC), and the State Department of Education (SDE), or their designees, as part of their participation on the Board of the Corporation for Education Network Initiatives in California (CENIC).

(b) To expend General Fund, student fee revenue, or any other monies for the California Research and Education Network (CalREN) or the K–12 High Speed Network (HSN), state educational institutions shall do all of the following:

(1) Ensure that any interest earned on state monies is used for operating CalREN serving the UC, CSU, CCC, and K–12 segments. Any segment-specific cash reserves held by CENIC for an individual segment shall be held separately and accrue interest to that segment.

~~(2) Ensure that any assets purchased primarily with state monies are transferred to the state if CENIC no longer manages CalREN.~~

(3) Approve an agreement that designates specific levels of service to be provided by CalREN and HSN to all public education segments.

(4) Establish fee payment schedules that neither result in significant prepayments nor require additional administrative costs to implement. If the Board of CENIC determines that certain prepayments are necessary, individual segments may prepay to avoid additional costs to themselves.

(5) Ensure that CENIC reports to the Legislature and the Governor, not later than December 1, 2006, the following minimum information:

(A) For the 2005–06 fiscal year, revenues from each public education segment and from other sources whose annual revenues are \$100,000 or more, and expenditures of \$100,000 or more by major category.

(B) A financial accounting of all primarily state-funded assets associated with CalREN and HSN.

(C) A copy of the 2006–07 service level agreement approved by the Board of CENIC.

(D) A list of all prepayments made in the 2005–06 fiscal year and in the first quarter of the 2006–07 fiscal year, and a detailed explanation of the savings resulting from each prepayment.

(E) A list of all in-state private educational institutions and out-of-state educational institutions that have used CalREN and the fee amounts they have been charged.

(F) A detailed revised budget for CalREN and HSN for the 2006–07 fiscal year."

Item SEC. 33.50—Strategic Sourcing. I delete this Control Section.

I am deleting this Control Section, which authorizes the Department of Finance to reduce appropriations to capture savings resulting from the California Strategic Sourcing Initiative and requires the Director of Finance to provide quarterly reports to the Legislature on any payments made to a Strategic Sourcing contractor at least 30 days prior to reducing any item of appropriation.

To the extent departments experience savings due to Strategic Sourcing, these savings will either create flexibility within departments' budgets or be counted toward the \$200,000,000 savings requirement in Control Section 4.05. However, consistent with the intent of Control Section 33.50, I am directing the Department of General Services to continue to provide quarterly reports to the Legislature identifying the Strategic Sourcing savings by departments and amounts paid to contractors.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 1801.

Schwarzenegger, Arnold



*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 2006.”

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.

(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. 1.80. (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 2006–07 fiscal year beginning July 1, 2006, and ending June 30, 2007. 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 2006–07, 2007–08, and 2008–09 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 2006–07 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, 2007, 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.

SEC. 2.00. Items of appropriation.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item	Amount
0110-001-0001—For support of Senate.....	102,201,000
Schedule:	
(1) 101001-Salaries of Senators.....	5,899,000
(2) 317295-Mileage.....	11,000
(3) 317292-Expenses.....	1,407,000
(4) 500004-Operating Expenses.....	94,054,000
(5) 317296-Automotive Expenses.....	830,000
Provisions:	
1. The funds appropriated in Schedule (4) are for operating expenses of the Senate, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint ex-	

penses of the Legislature, to be transferred by the Controller to the Senate Operating Fund.

- 2. The funds appropriated in Schedule (5) are for operating expenses of the Senate relating to the purchase, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the Controller to the Senate Operating Fund.
- 3. The funds appropriated in Schedules (1), (2), (3), and (5) may be adjusted for transfers to or from the Senate Operating Fund.

0120-011-0001—For support of Assembly..... 138,685,000

Schedule:

- (1) 101001-Salaries of Assembly Members..... 10,757,000
- (2) 317295-Mileage..... 8,000
- (3) 317292-Expenses..... 3,102,000
- (4) 500004-Operating Expenses..... 124,121,000
- (5) 317296-Automotive Expenses..... 697,000

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 Legislative Analyst..... 6,840,000
- (2) Transferred from Item 0110-001-0001..... -3,420,000
- (3) Transferred from Item 0120-011-0001..... -3,420,000

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.....	82,590,000
Schedule:	
(1) Support.....	82,721,000
(2) Reimbursements.....	-131,000

Judicial

0250-001-0001—For support of Judicial Branch.....	316,287,000
Schedule:	
(1) 10-Supreme Court.....	41,499,000
(2) 20-Courts of Appeal.....	181,042,000
(3) 30-Judicial Council.....	92,332,000
(4) 35-Judicial Branch Facility Program.....	2,094,000
(5) 50-Habeas Corpus Resource Center.....	12,842,000
(6) Reimbursements.....	-4,311,000
(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).....	-155,000
(9) Amount payable from the Federal Trust Fund (Item 0250-001-0890)....	-3,046,000
(10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060).....	-5,850,000

Provisions:

1. Notwithstanding Section 26.00, the funds appropriated or scheduled in this item may be allocat-

- ed 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.
  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, 2006, and April 1, 2007, 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 justices, and administrative costs pursuant to Section 68114.10 of the Government Code.
  6. Of the amount appropriated in this item, \$2,127,000 from the price increase for the court appointed counsel budget is to provide funding for up to a \$10 per hour increase in compensation at all three levels of appointed counsel.

7. Of the amount appropriated in this item, \$435,000 shall be used to increase judicial salaries by 4.25 percent effective January 1, 2007.

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

0250-001-0159—For support of Judicial Branch, payable from the Trial Court Improvement Fund..... 1,000  
Provisions:

1. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall increase this item up to \$12,509,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.

2. Upon approval by the Director of Administrative Office of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase this item by an amount, or amounts totaling no more than \$1,250,000. 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 chairpersons 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.

0250-001-0327—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Court Interpreters’ Fund..... 155,000

0250-001-0890—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Federal Trust Fund..... 3,046,000

0250-001-0932—For support of Judicial Branch, payable from the Trial Court Trust Fund..... 1,000  
Schedule:

(.5) 30-Judicial Council..... 1,000

(1) 35-Judicial Branch Facility Program..... 0

Provisions:

- 1. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall increase this item by an amount sufficient to allow for the expenditure of any transfer to this item made pursuant to Provisions 8 and 8.5 of Item 0250-101-0932.

0250-001-3037—For support of Judicial Branch, payable from the State Court Facilities Construction Fund.... 36,163,000  
Schedule:

(1) 30-Judicial Council..... 6,449,000

(2) 35-Judicial Branch Facility Program..... 29,714,000

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 later than 60 days prior to the effective date of the augmentation. 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.

0250-001-3060—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Appellate Court Trust Fund..... 5,850,000

Provisions:

- 1. Upon approval 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 Appellate Court Trust Fund, which is in addition to the amount appropriated in this item. 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 chairpersons of the committees 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.

0250-001-3066—For support of Judicial Branch, payable from the Court Facilities Trust Fund..... 1,076,000  
Schedule:

- (1) 35-Judicial Branch Facility Program..... 1,150,000
- (2) Reimbursements..... -74,000

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..... 983,000  
Schedule:

- (1) Base Rental and Fees..... 984,000
- (2) Insurance..... 12,000
- (3) Reimbursements..... -13,000

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 Appellate 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.
- 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.



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 justices, and administrative costs pursuant to Section 68114.10 of the Government Code.

0250-101-0001—For local assistance, Judicial Branch... 17,575,000  
Schedule:

- (1) 45.10-Support for Operation of Trial Courts..... 6,487,000
- (2) 45.55.010-Child Support Commissioners Program (Article 4 (commencing with Section 4250) of Chapter 2 of Part 2 of Division 9 of the Family Code)..... 46,486,000
- (3) 45.55.020-California Collaborative and Drug Court Projects..... 2,974,000
- (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..... 5,000
- (7) 45.55.080-Federal Grants—Other.... 775,000
- (8) 45.55.090-Equal Access Fund Program..... 9,972,000
- (9) Reimbursements..... -48,349,000
- (10) Amount payable from Federal Trust Fund (Item 0250-101-0890)..... -2,275,000

Provisions:

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 to 6215, inclusive, 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 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.

3. The amount appropriated in Schedule (1) is available for reimbursement of court costs related to the following activities: (a) payment of service of process fees billed to the trial courts pursuant to the provisions of Chapter 1009 of the Statutes of 2002, (b) payment of the court costs payable under Sections 4750 to 4755, inclusive, and Section 6005 of the Penal Code, and (c) payment of court costs of extraordinary homicide trials.

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..... 2,793,277,000

Schedule:

- (1) 45.10-Support for Operation of the Trial Courts..... 2,420,001,000
- (2) 45.25-Compensation of Superior Court Judges..... 246,678,000
- (3) 45.35-Assigned Judges..... 21,414,000
- (4) 45.45-Court Interpreters..... 96,126,000
- (5) 45.55.060-Court Appointed Special Advocate (CASA) Program..... 2,148,000
- (6) 45.55.065-Model Self-Help Program..... 929,000
- (7) 45.55.090-Equal Access Fund Program..... 5,199,000
- (8) 45.55.095-Family Law Information Centers..... 336,000
- (9) 45.55.100-Civil Case Coordination..... 446,000

Provisions:

1. Notwithstanding Section 26.00, 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 support staff may not exceed the staffing level that is necessary to support the equivalent of three judicial officers sitting on assignments.
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: 1.0 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 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. 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.

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 judges, 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. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall transfer up to \$9,019,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
- 8.5. Upon approval by the Director of the Administrative Office of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase the amount of the transfer by an amount or amounts no more than \$901,000. Any augmentations 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 chairpersons of the committees 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.

9. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (7) are available for distribution by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, 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. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall transfer up to 5 percent of the funding appropriated in Schedule (7) to Item 0250-001-0932 for administrative expenses. Ten percent of the funds remaining after administrative costs shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds remaining after administrative costs shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.
10. Of the funds appropriated in this item, \$2,725,000 is provided for the costs of new judgeships and accompanying staff. Any funds not used for this purpose shall revert to the General Fund. The Judicial Council shall report to the Legislature on January 1, 2008, and annually thereafter, until all judgeships are appointed and new staff hired, on the amount of funds allocated to each trial court to fund the new portions.
11. Of the funds appropriated in Schedule (4), \$10,000,000 is provided for services of court interpreters in civil actions and proceedings. In the event that sufficient funds are not available for all cases, or if, after diligent search, a sufficient number of interpreters is not available for all civil actions and proceedings, priority shall be given as follows, provided, however, that this case priority shall not be construed to negate or limit any right to an interpreter in a civil action

or proceeding otherwise provided by state or federal law: (a) Parties appearing in forma pauperis or whom the court otherwise determines are financially unable to pay the cost of an interpreter with priority given to actions and proceedings relating to domestic violence, child custody, protective orders, unlawful detainer, elder and dependent abuse, guardians and conservators, and family law; (b) Parties appearing in propria persona with priority given to actions and proceedings relating to domestic violence, child custody, protective orders, unlawful detainer, elder and dependent abuse, guardians and conservators, and family law; and (c) actions and proceedings in small claims court, notwithstanding Section 116.550 of the Code of Civil Procedure. Any unspent funds, shall revert to the General Fund.

- 12. Of the funds appropriated in this item, \$6,898,000 shall be used to increase judicial salaries by 4.25 percent effective January 1, 2007.

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund..... 1,602,734,000

0250-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund..... 35,815,000

0250-112-0556—For local assistance, Judicial Branch, payable from the Judicial Administration Efficiency and Modernization Fund..... 35,815,000

Provisions:

- 1. Upon approval 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 Judicial Administration Efficiency and Modernization Fund, which is in addition to the amount appropriated in this item. 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 chairpersons of the committees 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.

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 judges, and administrative costs pursuant to Section 68114.10 of the Government Code.

0250-301-0660—For capital outlay, Judicial Branch, payable from the Public Buildings Construction Fund..... 6,828,000  
Schedule:

- (1) 90.20.401-Court of Appeal, Fourth Appellate District Santa Ana: New Courthouse—Working drawings and construction..... 6,828,000

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 project authorized by this item.
- 2. The Judicial Branch and State Public Works Board are 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.
- 3. 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

Judicial Branch from the requirements of the California Environmental Quality Act. This section is declaratory of existing law.

0250-301-3037—For capital outlay, Judicial Branch, payable from the State Court Facilities Construction Fund..... 66,320,000

Schedule:

- (1) 91.07.001-Contra Costa County, New Antioch Area Courthouse—Acquisition and preliminary plans..... 2,232,000
- (1.2) 91.10.001-Fresno County: Sisk Federal Courthouse Renovation—Preliminary plans, working drawings, and construction..... 61,327,000
- (1.3) 91.26.001-Mono County: New Mammoth Lakes Courthouse—Acquisition and preliminary plans..... 2,055,000
- (2) 91.32.001-Plumas and Sierra Counties, New Portola/Loyalton Courthouse: Acquisition and preliminary plans..... 706,000

Provisions:

- 1. Notwithstanding any other provision of law, the County of Plumas shall transfer responsibility, or responsibility and title, for the Portola Court facility to the state prior to the release of funds identified in Schedule (2).
- 2. Of the funds appropriated in Schedule (1.2), \$61,327,000 is provided for the conversion of the Sisk Federal Courthouse in Fresno to a 16-courtroom facility.
- 3. The funds appropriated in this item include \$437,000 for acquisition and \$269,000 for preliminary plans. The funds appropriated for acquisition shall be spent on acquisition-related expenses and on June 30, 2007, any unspent portion of the acquisition funds shall revert to the State Court Facilities Construction Fund.

0250-401—The Director of Finance may authorize a loan from the General Fund to the Trial Court Improvement Fund for cashflow purposes in an amount not to exceed \$70,000,000 subject to the following conditions:

- (a) The loan is to meet cash needs resulting from a delay in receipt of revenues.



- (b) The loan is short term, and shall be repaid by October 31 of the fiscal year following that in which the loan was 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 chairpersons of the committees in each house of the Legislature that consider 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.

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 Acts of 2003 and 2004 (Ch. 157, Stats. 2003, and Ch. 208, Stats. 2004)

- (1) 90.20.401—Court of Appeal, Fourth Appellate District Santa Ana: New Courthouse—Working drawings and 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 project authorized by this item.
- 2. The State Public Works Board may authorize the augmentation of the cost 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.

0280-001-0001—For support of the Commission on Judicial Performance, Program 10.....

4,093,000

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 Section 68114.10 of the Government Code.

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 Section 68114.10 of the Government Code.

0390-001-0001—For transfer by the Controller to the Judges' Retirement Fund, for Supreme Court and Appellate Court Justices..... 1,150,000  
Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-0001 and Item 0390-101-0001.

0390-101-0001—For transfer by the Controller to the Judges' Retirement Fund for Superior Court and Municipal Court Judges..... 119,308,000  
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..... 18,402,000  
Schedule:

- (1) Support..... 18,327,000
- (2) Governor's Residence (Support).... 35,000
- (3) Special Contingent Expenses..... 40,000

Provisions:

1. The funds appropriated in Schedules (2) and (3) of this item are exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.

0510-001-0001—For support of Secretary of State and Consumer Services..... 769,000

Schedule:

- (1) Support..... 1,369,000
- (2) Reimbursements..... -600,000

0520-001-0001—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the General Fund..... 8,921,000

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.

0520-001-0044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund..... 1,171,000

Schedule:

- (1) 10-Administration of Business, Transportation and Housing Agency..... 3,037,000
- (2) 25-Infrastructure Finance and Economic Development Program..... 13,859,000
- (3) Reimbursements..... -2,973,000
- (4) Amount payable from the General Fund (Item 0520-001-0001)..... -8,921,000
- (5) Amount payable from the California Infrastructure and Economic Development Bank Fund (Item 0520-001-0649)..... -3,067,000
- (6) Amount payable from the Small Business Expansion Fund (Item 0520-001-0918)..... -420,000
- (7) Amount payable from the Welcome Center Fund (Item 0520-001-3083)..... -56,000
- (8) Amount payable from the Film Promotion and Marketing Fund (Item 0520-001-3095)..... -10,000
- (9) Amount payable from the Chrome Plating Pollution Prevention Fund (Item 0520-001-9329)..... -278,000

Provisions:

1. Of the amount appropriated in Schedule (2), \$85,000 is for reimbursement of the Department of Toxic Substances Control for expansion of the Model Shop Program pursuant to Chapter 2 (commencing with Section 42100) of Part 3 of Division 30 of the Public Resources Code.	
0520-001-0649—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the California Infrastructure and Economic Development Bank Fund....	3,067,000
0520-001-0918—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the Small Business Expansion Fund.....	420,000
0520-001-3083—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the Welcome Center Fund.....	56,000
0520-001-3095—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the Film Promotion and Marketing Fund.....	10,000
0520-001-9329—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the Chrome Plating Pollution Prevention Fund.....	278,000
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 of Business, Transportation and Housing.....	0
Schedule:	
(1) 25-Infrastructure Finance and Economic Development Program.....	2,000,000
(2) Reimbursements.....	-2,000,000
0520-101-9329—For local assistance, Secretary of Business, Transportation and Housing, payable from the Chrome Plating Pollution Prevention Fund.....	250,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may adjust amounts in this appropriation item for payment of defaults and related costs on loan guarantees made pursuant to Chapter 2 (commencing with Section 42100) of Part 3 of Division 30 of the Public Resources Code. Within 30 days of making an adjustment, the Department of Finance shall report the ad-	

justment in writing to the Joint Legislative Budget Committee.

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 2006–07 fiscal year.

0530-001-0001—For support of Secretary of California Health and Human Services..... 1,935,000  
Schedule:

(1) 10-Secretary of California Health and Human Services..... 3,133,000

(2) Reimbursements..... -1,198,000

0530-001-9732—For support of Secretary of California Health and Human Services, payable from the Office of Systems Integration Fund..... 214,622,000  
Schedule:

(1) 30-Office of Systems Integration..... 214,622,000

Provisions:

1. Notwithstanding any other provision of law, upon the request of the California 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 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 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.
2. Notwithstanding any other provision of law, upon the request of the California Health and Human Services Agency, the Department of Finance may augment the amount available for expenditure in this item and authorize the establishment of positions for additional activities

provided within the Statewide Automated Welfare System or other necessary systems that will support efforts to increase the number of CalWORKs participants that meet the federal work participation requirements, increase their hours of participation, or successfully transition them to self-sufficiency. In addition, expenditure authority may be augmented and positions may be established for efforts to comply with federal regulations regarding verification of work and work-eligible individuals, and to support improved data collection and analysis efforts for the CalWORKs program. Not more than 10 days after authorizing this transfer, the Department of Finance shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee in writing of the amount and specific purpose of the transfer. It is the intent of the Legislature that every effort be made to expedite the request and authorization of these expenditure increases and position establishments that may be necessary to avoid penalties for noncompliance with federal work participation or verification requirements.

0530-017-0001—For support of Secretary of California Health and Human Services.....	3,051,000
Schedule:	
(1) 21-Office of HIPAA Implementation.....	3,680,000
(2) Reimbursements.....	-629,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
0540-001-0001—For support of Secretary for Resources, payable to Item 0540-001-0140.....	5,824,000
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 California Bay-Delta Authority reorganization plan, enacted as part of this budget	

act, not sooner than 30 days after written notification 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 joint 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 provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

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

0540-001-0140—For support of Secretary for Resources, payable from the Environmental License Plate Fund..... 3,072,000

Schedule:

- (1) 10-Administration of Resources Agency..... 8,218,000
- (1.5) 20-CALFED Bay-Delta Program..... 13,377,000
- (2) Reimbursements..... -2,528,000
- (2.5) Amount payable from the General Fund (Item 0540-001-0001)..... -5,824,000
- (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 Federal Trust Fund (Item 0540-001-0890).... -236,000

- (5) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 0540-001-6029)..... -1,838,000
- (6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 0540-001-6031)..... -7,883,000

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 California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint 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 provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

0540-001-0890—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the Federal Trust Fund.....	236,000
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.....	1,838,000



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..... 7,883,000

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 California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint 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 provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

0540-101-6029—For local assistance, Secretary for Resources, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..... 440,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance until June 30, 2009, 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 Section 79541 of the Water Code shall be available for encumbrance until June 30, 2009, for purposes of support, local assistance, or capital outlay.	
2. The funds received by other state agencies from this item in accordance with Section 79541 of the Water Code are exempt from the reporting requirements of Section 28.50.	
0540-490—Reappropriation, Secretary for Resources. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2007:	
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)	
0540-491—Reappropriation, Secretary for Resources. The balance of the appropriations provided for in the following citations is reappropriated to the Secretary for Resources for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2008:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Item 3870-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004), for purposes of the CALFED Science Program	
(2) Item 3870-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3870-490, Budget Acts of 2004 and 2005 (Ch. 208, Stats. 2004, and Chs. 38 and 39, Stats. 2005), for purposes of the CALFED Science Program	
0890—Federal Trust Fund	
(1) Item 0540-001-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)	
0540-495—Reversion, Secretary for Resources. As of June 30, 2006, the balance specified below, of the	

appropriation provided in the following citation shall revert to the balance in the fund from which the appropriation was made.

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund  
(1) \$440,000 from Item 0540-101-6029, Budget Act of 2002 (Ch. 379, Stats. 2002)

0552-001-0001—For support of Office of the Inspector General..... 15,225,000  
Schedule:

(1) 10-Office of the Inspector General..... 15,225,000

0555-001-0001—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044..... 1,040,000

0555-001-0014—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Hazardous Waste Control Account..... 307,000

0555-001-0028—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Unified Program Account.... 1,407,000

0555-001-0044—For support of Secretary for Environmental Protection, payable from the Motor Vehicle Account, State Transportation Fund..... 1,694,000  
Schedule:

(1) 30-Support..... 12,928,000

(2) Reimbursements..... -1,805,000

(3) Amount payable from the General Fund (Item 0555-001-0001)..... -1,040,000

(4) Amount payable from the Hazardous Waste Control Account (Item 0555-001-0014)..... -307,000

(5) Amount payable from the Unified Program Account (Item 0555-001-0028)..... -1,407,000

(6) Amount payable from the California Used Oil Recycling Fund (Item 0555-001-0100)..... -29,000

(7) Amount payable from the Department of Pesticide Regulation Fund (Item 0555-001-0106)..... -726,000

(8) Amount payable from the Air Pollution Control Fund (Item 0555-001-0115)..... -666,000

(9) Amount payable from the Waste Discharge Permit Fund (Item 0555-001-0193).....	-272,000
(10) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 0555-001-0235).....	-60,000
(11) Amount payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund (Item 0555-001-0281).....	-140,000
(12) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-0387).....	-671,000
(13) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0555-001-0439).....	-761,000
(14) Amount payable from the State Water Quality Control Fund (Item 0555-001-0679).....	-167,000
(15) Amount payable from the Rural CUPA Reimbursement Account (Item 0555-001-1006).....	-928,000
(16) Amount payable from the Water Rights Fund (Item 0555-001-3058).....	-34,000
(17) Amount payable from the Environmental Enforcement and Training Account (Item 0555-001-8013)....	-2,066,000
(18) Amount payable from the Environmental Education Account (Item 0555-001-8020).....	-155,000

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.

Item	Amount
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.....	726,000
0555-001-0115—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Air Pollution Control Fund....	666,000
Provisions:	
1. Of the funds provided in this item, \$150,000 is for the Office of the Secretary for Environmental Protection to contract for the exclusive purpose of performing analyses of the economic impacts of emissions reductions required by law or regulation.	
0555-001-0193—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Waste Discharge Permit Fund.....	272,000
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.....	60,000
0555-001-0281—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund.....	140,000
0555-001-0387—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	671,000
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.....	761,000
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.....	167,000

0555-001-1006—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Rural CUPA Reimbursement Account.....	928,000
0555-001-3058—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Water Rights Fund.....	34,000
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.....	2,066,000
0555-001-8020—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Environmental Education Account.....	155,000
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.....	928,000
0558-001-0001—For support of the Office of the Secretary for Education.....	906,000
Schedule:	
(1) Secretary for Education.....	1,222,000
(2) Reimbursements.....	-316,000
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, 2007, to June 30, 2007, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2007. In the event that legislation creating the agency is not effective on or before January 1, 2007, or the funds are needed prior to January 1, 2007, 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.	
2. Of the reimbursements appropriated in this item, \$48,000 in support of Proposition 49 activities is available only until June 30, 2010.	

0559-001-0001—For support of the California Labor and Workforce Development Agency.....	0
Schedule:	
(1) 10-Office of the Secretary of Labor and Workforce Development.....	2,271,000
(2) Reimbursements.....	-2,171,000
(3) Amount payable from the Labor and Workforce Development Fund (Item 0559-001-3078).....	-100,000
0559-001-3078—For support of the California Labor and Workforce Development Agency, for payment to Item 0559-001-0001, payable from the Labor and Workforce Development Fund.....	100,000
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.	
0650-001-0001—For support of Office of Planning and Research.....	5,027,000
Schedule:	
(1) 11-State Planning and Policy Development.....	3,909,000
(2) 21-California Service Corps.....	4,323,000
(3) Reimbursements.....	-403,000
(4) Amount payable from the Federal Trust Fund (Item 0650-001-0890)....	-2,802,000
Provisions:	
1. No later than April 1, 2007, the Office of Planning and Research shall report to the committees in each house of the Legislature that consider the budget on performance indicators for the Online Volunteer Matching Program. This report shall provide a status of the program using information available to identify the number and name of volunteer programs that received volunteers referred by this system, Internet Web site hit count by month, posted volunteer activities by month, number of first-time volunteers, number of volunteer hours directly attributable to the statewide system, and other measures to fully disclose the impact of the Online Volunteer Matching Program.	
0650-001-0890—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Federal Trust Fund.....	2,802,000

0650-011-0001—For support of Office of Planning and Research.....	907,000
Schedule:	
(1) Office of the Secretary for Education.....	1,231,000
(2) Reimbursements.....	-324,000
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, 2006, to December 31, 2006, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2007. 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.	
2. Of the reimbursements appropriated in this item, \$47,000 in support of Proposition 49 activities is available only until June 30, 2010.	
0650-101-0890—For local assistance, Office of Planning and Research, Program 21-California Service Corps, payable from the Federal Trust Fund.....	35,000,000
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.....	33,692,000
Schedule:	
(1) 15-Mutual Aid Response.....	16,298,000
(2) 35-Plans and Preparedness.....	18,013,000
(3) 45-Disaster Assistance.....	25,526,000
(4) 55.01-Administration and Executive.....	7,475,000
(5) 55.02-Distributed Administration and Executive.....	-6,404,000
(8) Reimbursements.....	-2,651,000
(9) Amount payable from the Unified Program Account (Item 0690-001-0028).....	-708,000



- (10) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029)..... -974,000
- (11) Amount payable from the Federal Trust Fund (Item 0690-001-0890)..... -22,783,000
- (12) Amount payable from the Antiterrorism Fund (Item 0690-015-3034)..... -100,000

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 approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 0690-101-0890.

0690-001-0028—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Unified Program Account..... 708,000

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..... 974,000

Provisions:

- 1. Pursuant to subdivision (f) of Section 8610.5 of the Government Code, any unexpended funds from the appropriation in the prior fiscal year for the purposes of conducting a full participation exercise are hereby appropriated in augmentation of this item.

0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund..... 22,783,000

Provisions:

- 1. Any funds that may become available, in addition to the funds appropriated in this item, for disaster response and recovery may be allocated by the Department of Finance subject to the conditions of Section 28.00 of this act, except

that, notwithstanding subdivision (d) of that section, the allocations may be made 30 days or less after notification of the Legislature.

- 2. Notwithstanding any other provision of law, the funds appropriated in this item may be expended without regard to the fiscal year in which the application for reimbursement was submitted to the Federal Emergency Management Agency.

0690-002-0001—For support of Office of Emergency Services..... 9,790,000

Schedule:

- (1) 50-Criminal Justice Projects..... 13,057,000
- (2) 51-California Anti-Terrorism Information Center..... 6,811,000
- (3) Reimbursements..... -20,000
- (4) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 0690-002-0241)..... -78,000
- (5) Amount payable from the Victim-Witness Assistance Fund (Item 0690-002-0425)..... -1,376,000
- (6) Amount payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund (Item 0690-002-0597)..... -712,000
- (7) Amount payable from the Federal Trust Fund (Item 0690-002-0890).... -7,892,000

Provisions:

- 1. The funds appropriated in Schedule (2) shall be used to continue and expand funding for the California Anti-Terrorism Information Center, 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.
- 3. Of the funds appropriated in this item, up to five percent (\$5,000) of the augmentation for the

California Multijurisdictional Methamphetamine Enforcement Teams Program may be used to conduct an independent evaluation of the program.

- 4. Of the funds appropriated in this item, \$100,000 is provided on a two-year, limited-term basis for state operations to support the California Multijurisdictional Methamphetamine Enforcement Teams Program.

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..... 78,000

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.... 1,376,000

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..... 712,000

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.

0690-002-0890—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the Federal Trust Fund..... 7,892,000

0690-003-0001—For support of Office of Emergency Services, for rental payments on lease-revenue bonds..... 30,000

Schedule:

- (1) Base Rental and Fees..... 0
- (2) Insurance..... 30,000

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.

0690-010-3034—For support of Office of Emergency Services for the Office of Homeland Security, for payment to Item 0690-011-0890, payable from the Antiterrorism Fund..... 102,000

0690-011-0890—For support of Office of Emergency Services for the Office of Homeland Security, payable from the Federal Trust Fund..... 33,571,000

Schedule:

- (1) 10-Support of Office of Homeland Security..... 11,673,000
- (2) 60-Support to Other State Agencies..... 22,000,000
- (3) Amount payable from the Antiterrorism Fund (Item 0690-010-3034)..... -102,000

Provisions:

1. Of the funds appropriated in this item, funding shall be made available for an independent gap analysis of the state’s preparedness for a catastrophic disaster, subject to any restrictions on eligible activities for federal grant funds. The study is to be conducted by a nongovernmental research entity. The Office of Emergency Services shall be the contracting entity, with input and oversight by the Joint Committee on Emergency Services and Homeland Security.

0690-013-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund..... 679,000

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.

0690-015-3034—For support of the Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Antiterrorism Fund..... 100,000

0690-101-0029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account..... 2,376,000

Provisions:

1. Pursuant to subdivision (f) of Section 8610.5 of the Government Code, 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..... 573,150,000

Schedule:

(1) 35-Plans and Preparedness..... 15,424,000

(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..... 48,199,000

Schedule:

(1.5) 50.20-Victim Services..... 9,317,000

(2.5) 50.30-Public Safety..... 44,453,000

(18) Reimbursements..... -5,571,000  
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 (2.5), \$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.
4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.
6. Of the amount appropriated in this item, the Department of Finance may authorize the transfer of up to 5 percent (up to \$995,000) of the augmentation for the California Multijurisdic-

tional Methamphetamine Enforcement Teams Program to Item 0690-001-0001 for the purpose of conducting an independent evaluation of the program.

- 7. Of the funding appropriated in this item, \$29,400,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams Program. \$19,900,000 of this funding is provided on a two-year, limited-term basis. No later than January 10, 2008, the Office of Emergency Services, in consultation with the Department of Finance, shall submit to the Joint Legislative Budget Committee a report that proposes a funding allocation plan that links grant funding to the size of the problem in each of the five state-designated regions. The report shall also include a summary of spending by region, program activities, and demonstrated outcomes such as lab seizures and arrests.
- 8. Of the amount appropriated in this item, \$400,000 shall be available for grants to any private nonprofit organizations that have previously received funding from the California Innocence Protection Program. Any entity receiving funding under this program shall provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. The Office of Emergency Services shall prepare and submit a report to the Joint Legislative Budget Committee on or before June 30, 2007, on the foregoing information for each entity receiving funding under this program.

0690-102-0241—For local assistance, Office of Emergency Services, payable from the Local Public Prosecutors and Public Defenders Training Fund.... 792,000

Schedule:

(1.5) 50.30-Public Safety..... 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..... 16,519,000

Schedule:

(1.5) 50.20-Victim Services..... 16,519,000

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:

(1.5) 50.30-Public Safety..... 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..... 103,458,000

Schedule:

(1.5) 50.20 Victim Services..... 63,270,000

(2.5) 50.30 Public Safety..... 40,188,000



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.

0690-111-0890—For local assistance, Office of Emergency Services, for the Office of Homeland Security, payable from the Federal Trust Fund..... 328,000,000

0690-112-0001—For local assistance, Office of Emergency Services, for disaster recovery costs..... 55,793,000

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 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.

0690-113-0890—For transfer by the Controller from the Federal Trust Fund to the High Technology Theft Apprehension and Prosecution Program Trust Fund..... 218,000

Provisions:

- 1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, and shall be deposited in the

High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.  
 0690-115-0001—For local assistance, Office of Emergency Services, for volunteer disaster service workers' compensation..... 1,125,000  
 Provisions:

1. The funds appropriated in this item shall be used to pay approved volunteer disaster service workers' compensation claims and administrative expenditures related to the payment of those claims by the State Compensation Insurance Fund.
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 those 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 chairpersons of the committees in each house of the Legislature that consider 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.

0690-490—Reappropriation, Office of Emergency Services. The amounts specified in the following citation are reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2007:

0890—Federal Trust Fund

- (1) Item 8100-101-0890, Budget Act of 2003 (Ch. 157, Stats. 2003), pursuant to Section 25.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003)
  - (1) 50.20.161-Violence Against Women Act..... 1,250,000
  - (7) 50.30.550-Byrne State/Local Law Enforcement Assistance.... 3,505,000
  - (8) 50.30.555-Residential Substance Abuse Treatment..... 5,635,000

Provisions:

1. The Office of Emergency Services (OES) shall provide a final report to the Legislature by March 30, 2007, on the reconstruction and finalization of records for the programs that were transferred to the OES from the Office of Criminal Justice Planning. The report shall include a summary of the findings of the reconstruction effort and steps that have been taken by the OES to ensure that appropriate fiscal controls and processes are in place for the effective administration of those programs.

0750-001-0001—For support of Office of the Lieutenant Governor..... 2,784,000

0820-001-0001—For support of Department of Justice.... 379,639,000

Schedule:

- (1) 11.01-Directorate-Administration.... 27,540,000
- (2) 11.02-Distributed Directorate-Administration..... -27,540,000
- (3) 12.01-Legal Support and Technology Administration..... 48,442,000
- (4) 12.02-Distributed Legal Support and Technology Administration.... -48,442,000
- (5) 25-Executive Programs..... 15,505,000
- (6) 30-Civil Law..... 125,441,000
- (7) 40-Criminal Law..... 100,808,000
- (8) 45-Public Rights..... 83,965,000
- (9) 50-Law Enforcement..... 208,977,000
- (10) 60-California Justice Information Services..... 174,297,000
- (11) 65-Gambling Control..... 18,217,000
- (12) 70-Firearms..... 17,207,000
- (14) Reimbursements..... -42,491,000
- (15) Amount payable from the Attorney General Antitrust Account (Item 0820-001-0012)..... -1,239,000
- (16) Amount payable from Hazardous Waste Control Account (Item 0820-001-0014)..... -1,846,000
- (17) Amount payable from the Fingerprint Fees Account (Item 0820-001-0017)..... -72,036,000
- (18) Amount payable from Firearms Safety Account (Item 0820-001-0032)..... -326,000

(19) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-0044).....	-23,160,000
(20) Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142).....	-2,715,000
(21) Amount payable from the Travel Seller Fund (Item 0820-001-0158).....	-1,249,000
(22) Amount payable from Conservatorship Registry Fund (Item 0820-001-0195).....	-368,000
(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).....	-567,000
(25) Amount payable from the Indian Gaming Special Distribution Fund (Item 0820-001-0367).....	-12,276,000
(26) Amount payable from the False Claims Act Fund (Item 0820-001-0378).....	-12,618,000
(27) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460).....	-8,658,000
(28) Amount payable from the Toxic Substances Control Account (Item 0820-001-0557).....	-2,210,000
(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).....	-6,736,000
(31) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569)....	-26,000
(32) Amount payable from the Federal Trust Fund (Item 0820-001-0890).....	-39,444,000
(33) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942).....	-1,415,000

(34) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942).....	-556,000
(35) Amount payable from the Firearms Safety and Enforcement Special Fund (Item 0820-001-1008).....	-2,931,000
(36) Amount payable from the Missing Persons DNA Database Fund (Item 0820-001-3016).....	-4,354,000
(37) Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820-001-3053).....	-5,410,000
(38) Amount payable from the Rate Payer Relief Fund (Item 0820-001-3061).....	-11,996,000
(39) Amount payable from the DNA Identification Fund (Item 0820-001-3086).....	-17,315,000
(40) Amount payable from the Unfair Competition Law Fund (Item 0820-001-3087).....	-3,101,000
(40.5) Amount payable from the Registry of Charitable Trusts Fund (Item 0820-001-3088).....	-2,501,000
(41) Amount payable from the Legal Services Revolving Fund (Item 0820-001-9731).....	-86,835,000

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, \$4,224,000 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, 2007, shall revert immediately to the General Fund.
5. Of the funds appropriated in this item, \$20,528,000 is available solely for the Correctional Law Section that handles only workload related to California Department of Corrections and Rehabilitation cases, and of that amount \$3,794,000 is restricted to class action workload.
  6. Of the amount appropriated in Schedule (9), \$6,000,000 is available for costs related to the California Methamphetamine Strategy program. Any of these funds not expended for this specific purpose shall revert to the General Fund.
  7. Of the amount appropriated in Schedule (9), \$6,524,000 is available for costs related to the Gang Suppression Enforcement Teams program. Any of these funds not expended for this specific purpose shall revert to the General Fund.
  8. Of the amount appropriated in this item, up to 5 percent (up to \$300,000) of the augmentation for the California Methamphetamine Strategy Program may be used to conduct an independent evaluation of the program.
  9. On or before January 10, 2008, the Department of Justice shall submit a report to the chairpersons of the Senate and Assembly committees that consider public safety, the chairpersons of the Senate and Assembly committees that consider the state budget, and the Legislative Analyst's Office, detailing the activities and outcomes of the Gang Suppression Enforcement Teams, as well as the community, regional, and statewide impact.
  10. Notwithstanding any other provision of law, the Director of Finance may augment the amount appropriated in this item, should revenue to the DNA Identification Fund be insufficient to meet the level of funding approved by the Legislature to support the program established pursuant to the DNA Fingerprint, Unsolved Crime and Innocence Protection Act (Proposition 69). In the event that revenue to the DNA Identification Fund exceeds the anticipated level, the Director of Finance may reduce the amount appropriated in this item. The Director of Finance may not approve an augmentation or reduction unless the approval is made in writing and filed with the

Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval.

- 11. Of the amount appropriated in Schedule (8), \$1,000,000 is available for litigation and expert witness costs associated with state actions to reduce greenhouse gas emissions, including the defense of actions taken by state energy agencies to reduce those emissions and the defense of Chapter 200 of the Statutes of 2002.

0820-001-0012—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Attorney General Antitrust Account..... 1,239,000

0820-001-0014—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Hazardous Waste Control Account..... 1,846,000

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..... 72,036,000

0820-001-0032—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearms Safety Account..... 326,000

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..... 23,160,000

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..... 2,715,000

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..... 1,249,000

0820-001-0195—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Conservatorship Registry Fund..... 368,000

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.... 567,000

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..... 12,276,000

0820-001-0378—For support of Department of Justice,  
for payment to Item 0820-001-0001, payable from  
the False Claims Act Fund..... 12,618,000

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..... 8,658,000

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 Toxic Substances Control Account..... 2,210,000

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..... 6,736,000

0820-001-0569—For support of Department of Justice,  
for payment to Item 0820-001-0001, payable from  
Gambling Control Fines and Penalties Account..... 26,000

0820-001-0890—For support of Department of Justice,  
for payment to Item 0820-001-0001, payable from  
the Federal Trust Fund..... 39,444,000

Provisions:

1. Of the funds appropriated in this item, \$487,000 is for the Information-Led Policing Research, Technology Development, Testing, and Evaluation grant. These funds may not be encumbered or expended until a Feasibility Study Report has been approved by the Department of Finance. The Department of Finance’s approval shall be effective not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee of the approval.



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.....	1,415,000
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....	2,931,000
0820-001-3016—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Missing Persons DNA Data Base Fund.....	4,354,000
0820-001-3053—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Public Rights Law Enforcement Special Fund....	5,410,000
Provisions:	
1. Of the funds appropriated in this item, \$4,762,000 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.....	11,996,000
Provisions:	
1. All funds appropriated in this item are for energy investigations and litigation. These funds may not be encumbered or expended until the Energy and Corporate Responsibility Section has recovered sufficient funds to cover its costs.	
0820-001-3086—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the DNA Identification Fund.....	17,315,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may augment the amount appropriated in this item if revenue to the DNA Identification Fund exceeds the anticipated level. The augmentation may not exceed the level of funding appropriated in this Budget Act to support the program established pursuant to the DNA Fingerprint, Unsolved Crime and Innocence Protection Act (Proposition 69), and must include a corresponding reduction in Item 0820-001-0001. The Director of Finance may not approve an augmentation or reduction unless the approval is made in writing and filed with the Joint Legislative Budget Committee and chairpersons of the committee in each house of the	

Legislature that consider appropriations not later than 30 days prior to the effective date of approval.	
0820-001-3087—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Unfair Competition Law Fund.....	3,101,000
0820-001-3088—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Registry of Charitable Trusts Fund.....	2,501,000
0820-001-9731—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Legal Services Revolving Fund.....	86,835,000
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.....	3,795,000
Schedule:	
(1) Base Rental and Fees.....	3,800,000
(2) Insurance.....	7,000
(3) Reimbursements.....	-12,000
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.

0820-011-0378—For transfer by the Controller to the General Fund from the False Claims Act Fund..... (33,000,000)

0820-011-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the State Asset Forfeiture Account, Special Deposit Fund..... 556,000

0820-101-0001—For local assistance, Department of Justice..... 3,045,000

Schedule:

(1) 40-Criminal law..... 3,045,000

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

Schedule:

(1) 50-Law Enforcement..... 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 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.

0820-401—Of the amount loaned pursuant to Provision 1 of Item 0820-002-0001, Budget Act of 2004 (Ch. 208, Stats. of 2004), as added by Section 2.00 of Ch. 3, Stats. of 2005, \$7,000,000 and interest, will not be required to be repaid.

0820-490—Reappropriation, Department of Justice. 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, 2007:

0890—Federal Trust Fund

- (1) Item 0820-001-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$1,000,000 for Single-Point Information, Collection, and Evaluation System and \$2,590,000 for Threat, Analysis, Reporting, and Geographic Evaluation Tool

0840-001-0001—For support of State Controller..... 97,952,000  
Schedule:

- (1) 100000-Personal Services..... 86,872,000
- (2) 300000-Operating Expenses and Equipment..... 70,544,000
- (3) Amount payable from various special and nongovernmental cost funds (Section 25.25)..... -13,543,000
- (4) Reimbursements..... -35,762,000
- (5) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)..... -3,650,000
- (6) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062).... -1,068,000
- (7) Amount payable from the Local Revenue Fund (Item 0840-001-0330)..... -511,000
- (8) Amount payable from the Federal Trust Fund (Item 0840-001-0890).... -1,281,000
- (9) Amount payable from the State Penalty Fund (Item 0840-001-0903)..... -1,183,000
- (10) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988)..... -219,000
- (11) Amount payable from School Facilities Fund (Item 0840-001-6044).... -856,000

(12) Amount payable from other unallocated special funds (Item 0840-011-0494).....	-106,000
(13) Amount payable from unallocated bond funds (Item 0840-011-0797).....	-411,000
(14) Amount payable from various other unallocated nongovernmental cost funds (Item 0840-011-0988).....	-98,000
(15) Amount payable from the Public Transportation Account, State Transportation Fund (Section 25.50).....	-10,000
(16) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Section 25.50).....	-275,000
(17) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Section 25.50).....	-21,000
(18) Amount payable from the DMV Local Agency Collection Fund (Section 25.50).....	-2,000
(19) Amount payable from the Trial Court Trust Fund (Section 25.50)....	-152,000
(20) Amount payable from the Timber Tax Fund (Section 25.50).....	-1,000
(21) Amount payable from the Public Safety Account, Local Public Safety Fund (Section 25.50).....	-221,000
(22) Amount payable from the Local Revenue Fund (Section 25.50).....	-94,000

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.

5. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Controller determines reasonable, provided that (1) none of the moneys used for this purpose is redirected from funding for the Controller's audit activities, (2) no photograph is used in the publication of notice, and (3) no elected official's name is used in the publication of notice.
- (b) No funds appropriated in this act may be expended by the Controller to provide general information to the public, other than holders (as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure) of unclaimed property, concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media, through the exchange of information on electronic

- bulletin boards, or no more than \$50,000 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).
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.
  7. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows:
    - (a) If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would necessarily have been incurred for that purpose if performed by employees of the local agency or school district.
    - (b) The maximum amount of reimbursement provided in subdivision (a) may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without incurring the additional costs claimed by the local agency or school district.
  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 2006–07 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 Legislative Analyst's Office.
  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 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; the amount recouped; and the results of a final audit and subsequent funding adjustments. The report is due on April 15, 2007, and will cover the fourth quarter of the 2005–06 fiscal year and the first three quarters of the 2006–07 fiscal year.
  13. To the extent authorized by existing law, the Controller shall recoup the amount of any unallowable mandate claim costs resulting from desk and/or field audits of such claims.
  14. The Controller's estimate of the state's liability for postemployment benefits prepared to comply with Governmental Accounting Standards Board (GASB) Statement 45 shall include, in addition to all other items required under the accounting



statement: (a) an identification and explanation of any significant differences in actuarial assumptions or methodology from any relevant similar types of assumptions or methodology used by the California Public Employees' Retirement System to estimate state pension obligations; and (b) alternative calculations of the state's liability for postemployment benefits using different long-term rates of investment return consistent with a hypothetical assumption that the state will begin to deposit 100 percent or a lesser percent, respectively, of its annual required contribution under GASB Statement 45 to a retiree health and dental benefits trust fund beginning in the 2007–08 fiscal year. This provision shall not obligate the state to change the practice of funding health and dental benefits for annuitants currently required under state law.

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.....	3,650,000
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.....	1,068,000
0840-001-0330—For support of State Controller, for payment to Item 0840-001-0001, payable from the Local Revenue Fund.....	511,000
0840-001-0890—For support of State Controller, for payment to Item 0840-001-0001, payable from the Federal Trust Fund.....	1,281,000
0840-001-0903—For support of State Controller, for payment to Item 0840-001-0001, payable from the State Penalty Fund.....	1,183,000
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).....	219,000
0840-001-6044—For support of State Controller, for payment to Item 0840-001-0001, payable from School Facilities Fund.....	856,000
0840-011-0494—For support of State Controller, for payment to Item 0840-001-0001, payable from other unallocated special funds.....	106,000

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 of 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 committee, or his or her designee, may in each instance determine.

0840-011-0797—For support of State Controller, for payment to Item 0840-001-0001, payable from unallocated bond funds..... 411,000

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 of 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 committee, or his or her designee, may in each instance determine.

0840-011-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds..... 98,000

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 of 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 committee, or his or her designee, may in each instance determine.

0840-101-0979—For allocation by the Controller from the California Firefighters’ Memorial Fund..... 500,000

Provisions:

1. The funds appropriated in this item are to be allocated as follows:
  - (a) To the Franchise Tax Board and Controller for reimbursement of costs incurred in connection with duties under Article 9 (commencing with Section 18801) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code.
  - (b) To the California Fire Foundation the balance in the fund for the construction of a memorial as authorized in that article.

0845-001-0217—For support of Department of Insurance, payable from the Insurance Fund..... 156,779,000

Schedule:

- |   |             |
|---|-------------|
| (1) 10-Regulation of Insurance Companies and Insurance Producers..... | 65,331,000  |
| (2) 12-Consumer Protection.....                                       | 49,232,000  |
| (3) 20-Fraud Control.....   | 40,436,000  |
| (4) 30-Tax Collection and Audit.....                                  | 2,030,000   |
| (5) 50.01-Administration.....   | 27,150,000  |
| (6) 50.02-Distributed Administration.....                             | -27,150,000 |
| (7) Reimbursements.....   | -250,000    |

Provisions:

1. Of the funds appropriated in this item, the Controller shall transfer one-half of \$4,898,000 upon passage of the Budget Act and the remaining half on January 1, 2007, 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 \$586,000 upon passage of the Budget Act and the remaining half on January 1, 2007, 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 2006–07 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..... 40,603,000  
Schedule:

(1) 12-Consumer Protection..... 750,000

(2) 20-Fraud Control..... 39,853,000

0845-490—Reappropriation, Department of Insurance. The balance of the appropriation provided in the following citation is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2007.

0217—Insurance Fund

(1) \$1,063,000 in Item 0845-101-0217, Budget Act of 2004 (Ch. 208, Stats. 2004) Program 20-Fraud Control

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..... (429,800,000)

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 2007–08 fiscal year. The reports 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, 2007, a copy of the proposed administrative budget for the California State Lottery Commission for the 2007–08 fiscal year that is included in the Governor's Budget.

(c) No later than June 1, 2007, a copy of the proposed administrative budget and expected

sales revenue for the California State Lottery Commission for the 2007–08 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, 2007, the final 2007–08 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, 2007, proposed budget. The report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.

0855-001-0367—For support of California Gambling Control Commission, payable from the Indian Gaming Special Distribution Fund..... 7,279,000

Schedule:

- (1) 10-California Gambling Control Commission..... 7,279,000

0855-001-0567—For support of California Gambling Control Commission, payable from the Gambling Control Fund..... 2,854,000

Schedule:

- (1) 10-California Gambling Control Commission..... 2,854,000

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 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..... 30,000,000  
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.

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..... 206,531,000  
Schedule:

- (1) 100000-Personal Services..... 276,329,000
- (2) 300000-Operating Expenses and Equipment..... 92,933,000
- (3) Reimbursements..... -110,190,000
- (4) Amount payable from the Breast Cancer Fund (Item 0860-001-0004)..... -374,000
- (5) Amount payable from the State Emergency Telephone Number Account (Item 0860-001-0022)..... -575,000

- (6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061)..... -19,366,000
- (7) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 0860-001-0070)..... -638,000
- (8) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-0080)..... -464,000
- (9) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-0230)..... -4,767,000
- (10) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-0320)..... -236,000
- (11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387)..... -408,000
- (12) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0860-001-0439)..... -2,092,000
- (13) Amount payable from the Energy Resources Programs Account (Item 0860-001-0465)..... -232,000
- (14) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623)..... -7,388,000
- (15) Amount payable from the Federal Trust Fund (Item 0860-001-0890)..... -1,156,000
- (16) Amount payable from the Timber Tax Fund (Item 0860-001-0965).... -2,148,000
- (17) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015)..... -404,000
- (18) Amount payable from the Water Rights Fund (Item 0860-001-3058)..... -412,000
- (19) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 0860-001-3065).... -4,904,000
- (20) Amount payable from the Cigarette and Tobacco Products Compliance Fund (Item 0860-001-3067)..... -6,977,000

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 Committee. No such position may be transferred from the organizational unit to which it was assigned in the 2006–07 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 Director of Finance shall reduce the appropriation in this item for lease payment savings realized through the purchase of the Board of Equalization headquarters building in Sacramento.

0860-001-0004—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Breast Cancer Fund..... 374,000

Provisions:

1. Notwithstanding Section 30461.6 of the Revenue and Taxation Code, or any other provision of law, sufficient funds to cover the costs of the State Board of Equalization for the collection and enforcement of fees to be deposited in the Breast Cancer Fund shall be retained in the fund, and be available to be appropriated to the board.

0860-001-0022—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the State Emergency Telephone Number Account..... 575,000



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.....	19,366,000
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..... 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.	638,000
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..... 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.	464,000
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.....	4,767,000
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.....	236,000
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..... 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.	408,000
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..... Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines	2,092,000

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.....		232,000
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.....		7,388,000
0860-001-0890—For support of the State Board of Equalization, for payment to Item 0860-001-0001, payable from the Federal Trust Fund.....		1,156,000
0860-001-0965—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Timber Tax Fund.....		2,148,000
0860-001-3015—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Gas Consumption Surcharge Fund.....		404,000
0860-001-3058—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Water Rights Fund.....		412,000
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.....		4,904,000
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.....		6,977,000
0890-001-0001—For support of Secretary of State.....		22,603,000
Schedule:		
(1) 100000-Personal Services.....	31,054,000	
(2) 300000-Operating Expenses and Equipment.....	27,317,000	
(3) Special Item of Expense-Election Related Costs.....	11,809,000	
(4) Reimbursements.....	-7,339,000	
(5) Amount payable from the Secretary of State’s Business Fees Fund (Item 0890-001-0228).....	-32,317,000	
(6) Amount payable from the Federal Trust Fund (Item 0890-001-0890)....	-6,297,000	
(7) Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042).....	-1,624,000	

Provisions:

1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 that are collected in excess of the cost of administering those special handling fees unless specifically authorized by the Legislature.
2. Of the amounts appropriated in this item, \$6,297,000 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..... 32,317,000

0890-001-0890—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Federal Trust Fund..... 6,297,000

Provisions:

1. Funds shall be expended for the purposes approved in the April 11, 2006, Help America Vote Act spending plan. The amounts spent on each activity shall not exceed the maximum specified in the spending plan. In addition, that spending plan is amended to include \$760,000 for source code review in 2006–07, as described in the March 11, 2005, expenditure plan and consistent with Chapter 813 of the Statutes of 2004.
2. Notwithstanding any other provision of law, any funds not needed for an activity authorized in the spending plan 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. The quarterly reports shall provide, at a minimum, the level of expenditures by scheduled activity.
4. The Secretary of State shall forward to the appropriate legislative committees, each year prior to January 15, until the Statewide Voter Database is fully implemented, a report on the status of all of the following:
  - (a) Election system security measures, including all of the following:
    - (1) Source Code Review.
    - (2) Parallel Monitoring.

- (3) Poll Monitoring, including a review of who conducted the monitoring and where they were located.
  - (b) Expected General Fund exposure for completion of HAVA compliance, including expected costs of administration.
  - (c) Completion of the CalVoter database, including information on the costs associated with the use of contractors and consultants, the names of the contractors and consultants used, and the purposes for which contractors and consultants were used.
5. The Department of Finance may authorize an increase in the appropriation of this item, up to the total amount of the program reserve. Any such approval shall be accompanied by the approval of an amended spending plan submitted by the Secretary of State providing detailed justification for the increased expenses. An approval of an augmentation or of spending plan amendments shall not be effective sooner than 30 days following the transmittal of the approval to 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 determine.
  6. Notwithstanding any other provision of law, any primary vendor contract for the development of a new statewide voter registration database 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 funds in future budget acts.
- 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.... 1,624,000
- 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..... 9,392,000
  - (2) Structural Insurance..... 40,000
- Provisions:
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis

or as otherwise might be needed to ensure debt requirements are met.

- 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.

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..... 2,966,000
- (2) Structural Insurance..... 12,000

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.

0890-495—Reversion, Secretary of State. As of July 1, 2006, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriations were made for future use to implement the Help America Vote Act:

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)
- (3) Item 0890-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

0950-001-0001—For support of State Treasurer..... 6,132,000

Schedule:

- (1) 100000-Personal Services..... 17,183,000
- (2) 300000-Operating Expenses and Equipment..... 5,586,000
- (3) Reimbursements..... -16,637,000

Provisions:

- 1. The Director of Finance may authorize a loan from the General Fund, in an amount not to ex-

ceed the level of reimbursements appropriated in Schedule (3) of this item to the State Treasurer's office, provided that:

- (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 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.
- (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).

0954-001-0001—For support of the Scholarshare Investment Board..... 1,124,000

Schedule:

(1) 20-Governor's Scholarship Programs..... 1,124,000

Provisions:

- 1. Funds appropriated in this item are for the purpose of administering, in accordance with Article 20.5 (commencing with Section 69999.6), the Governor's Scholars Program and the Governor's Math and Science Scholars Program, established pursuant to former Article 20 (commencing with Section 69995) of Chapter 2 of Part 42 of the Education Code.

0954-001-0564—For support of the Scholarshare Investment Board, payable from the Scholarshare Administrative Fund..... 1,079,000

Schedule:

(1) 10-Golden State Scholarshare Trust Program..... 1,079,000

Provisions:

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 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.
2. Notwithstanding Provision 1 of Item 7980-011-0001 of Section 2 of Chapter 50 of the Statutes of 1999, the \$829,000 General Fund loan made to the Scholarshare Administrative Fund shall be repaid over a period of seven years, with payments beginning no later than the 2002-03 fiscal year and ending no later than June 30, 2007. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account.

0956-001-0171—For support of California Debt and Investment Advisory Commission, payable from the California Debt and Investment Advisory Commission Fund..... 2,088,000

Schedule:

- (1) 10-California Debt and Investment Advisory Commission..... 2,188,000
- (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..... 1,147,000

Schedule:

- (1) 10-Debt Limit Allocation Committee..... 1,147,000

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..... 482,000  
Schedule:

- (1) 10-Industrial Development Financing Advisory Commission..... 557,000
- (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..... 1,356,000  
Schedule:

- (1) 10-California Tax Credit Allocation Committee..... 1,386,000
- (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..... 1,685,000

Schedule:

- (1) 10-California Tax Credit Allocation Committee..... 1,715,000
- (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.

0968-001-3038—For support of California Tax Credit Allocation Committee, payable from the Community Revitalization Fee Fund..... 89,000

Schedule:

- (1) 20-Community Revitalization Program..... 89,000

Provisions:

- 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Tax Credit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0971-001-0528—For support of California Alternative Energy and Advanced Transportation Financing Authority, payable from the California Alternative Energy Authority Fund..... 194,000

Schedule:

- (1) 10-California Alternative Energy and Advanced Transportation Financing Authority..... 194,000

Provisions:

- 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Alternative Energy and Advanced Transportation Financing Authority in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

0977-001-6046—For the support of California Health Facilities Financing Authority, payable from the Children’s Hospital Fund..... 365,000

Schedule:

- (1) 30-Children’s Hospital Program.... 365,000

0985-001-0890—For support of California School Finance Authority, payable from the Federal Trust Fund..... 125,000

Schedule:

- (1) 20-Charter School Facilities Program..... 125,000

0985-001-6040—For support of California School Finance Authority, payable from the Charter School Facilities Account, 2002 State School Facilities Fund..... 547,000

Schedule:

- (1) 20-Charter School Facilities Program..... 547,000

0985-101-0890—For local assistance, California School Finance Authority, State Charter School Facilities Incentive Grant Program, payable from the Federal Trust Fund..... 9,725,000

Provisions:

- 1. 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.....		11,945,000
Schedule:		
(1) 10-Education.....	11,133,000	
(2) 20-Exposition Park Management....	4,346,000	
(3) 30-California African-American Museum.....	2,100,000	
(4) 40.01-Administration.....	1,176,000	
(5) 40.02-Distributed Administration....	-1,176,000	
(6) Reimbursements-Education.....	-1,213,000	
(7) Reimbursements-Exposition Park Management.....	-350,000	
(8) Reimbursements-California African-American Museum.....	-75,000	
(9) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-0267).....	-3,996,000	
1100-001-0267—For support of California Science Center, for payment to Item 1100-001-0001, payable from the Exposition Park Improvement Fund.....		3,996,000
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.....		2,727,000
Schedule:		
(1) Base Rental and Fees.....	2,700,000	
(2) Insurance.....	27,000	
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.		

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.....	154,000
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 Contingent Fund.....	15,712,000
Schedule:	
(1) 22-Board of Barbering and Cosmetology.....	15,769,000
(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.....	2,438,000
Schedule:	
(1) 56-Acupuncture Board.....	2,461,000
(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.....	275,000
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.		
1110-001-0205—For support of Board for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund.....		1,189,000
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.....		1,143,000
Schedule:		
(1) 70-Osteopathic Medical Board of California.....	1,193,000	
(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.....		1,069,000
Schedule:		
(1) 59-Physician Assistant Committee.....	1,094,000	
(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.....		1,221,000

Schedule:

- (1) 61-California Board of Podiatric Medicine..... 1,225,000
- (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..... 3,196,000

Schedule:

- (1) 62-Board of Psychology..... 3,247,000
- (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..... 2,645,000

Schedule:

- (1) 64-Respiratory Care Board of California..... 2,711,000
- (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.

1110-001-0376—For support of the Speech-Language Pathology and Audiology Board, payable from the Speech-Language Pathology and Audiology Fund.... 722,000

Schedule:

- (1) 65-Speech-Language Pathology and Audiology Board..... 746,000
- (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..... 1,773,000

Schedule:

- (1) 36.20-Committee on Dental Auxiliaries..... 1,795,000
- (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.

1110-001-0399—For support of Structural Pest Control Board, for payment to Item 1110-001-0775, payable from the Structural Pest Control Education and Enforcement Fund..... 353,000

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..... 9,916,000

Schedule:

- (1) 3-California Board of Accountancy..... 10,120,000
- (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..... 2,893,000

Schedule:

- (1) 06.02.020-Distributed Cost-Architects/Landscape Architects..... -26,000
- (2) 06.10.010-California Architects Board..... 2,924,000
- (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..... 51,617,000

Schedule:

- (1) 30-Contractors' State License Board..... 51,985,000
- (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..... 8,417,000

Schedule:

- (1) 36.10-Dental Board of California.... 8,587,000
- (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..... 1,153,000

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.

1110-001-0758—For support of Medical Board of California, payable from the Contingent Fund of the Medical Board of California..... 48,894,000

Schedule:

- (1) 55.10.010-Medical Board of California..... 49,991,000
- (2) 55.15-Registered Dispensing Opticians..... 275,000
- (3) 55.17-Outpatient Setting..... 24,000



- (4) 55.02.020-Distributed Medical Board of California..... -713,000
- (5) Reimbursements..... -384,000
- (6) Amount payable from the Dispensing Opticians Fund (Item 1110-001-0175)..... -275,000
- (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.
- 2. Of the amount appropriated in Schedule (1), \$375,000 shall be available for expenditure as follows:
  - (a) Upon acceptance of a request by the Joint Legislative Audit Committee, \$300,000 may be expended to reimburse the Bureau of State Audits for a performance audit pursuant to Section 1 of Chapter 674 of the Statutes of 2005.
  - (b) Upon acceptance of a request by the Joint Legislative Audit Committee, or upon adoption of legislation during the second year of the 2005–06 Regular Session that removes the Joint Legislative Audit Committee from the selection process, \$75,000 may be expended to reimburse the Bureau of State Audits or another entity for a financial review pursuant to subdivision (i) of Section 2435 of the Business and Professions Code.

1110-001-0759—For support of Physical Therapy Board of California, payable from the Physical Therapy Fund..... 2,355,000

Schedule:

- (1) 58-Physical Therapy Board of California..... 2,454,000
- (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.....	20,556,000
Schedule:	
(1) 78-Board of Registered Nursing....	21,570,000
(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.....	1,179,000
Schedule:	
(1) 69-State Board of Optometry.....	1,185,000
(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....	8,245,000
Schedule:	
(1) 72-California State Board of Pharmacy.....	8,496,000
(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....	8,085,000
Schedule:	
(1) 75-Board for Professional Engineers and Land Surveyors.....	8,101,000
(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.....	787,000
Schedule:	
(1) 81-Court Reporters Board of California.....	805,000
(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.....	4,903,000
Schedule:	
(1) 18-Board of Behavioral Science....	4,953,000
(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 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.....	3,840,000
Schedule:	
(1) 84-Structural Pest Control Board....	4,195,000
(2) Reimbursements.....	-2,000
(3) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1110-001-0399)....	-353,000
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.	
1110-001-0777—For support of Veterinary Medical Board, payable from the Veterinary Medical Board Contingent Fund.....	2,310,000
Schedule:	
(1) 90-Veterinary Medical Board.....	2,336,000
(2) Reimbursements.....	-26,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of	

finances 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 Nursing and Psychiatric Technicians Fund.....	5,241,000
Schedule:	
(1) 91.02.020-Distributed Vocational Nurses.....	-37,000
(2) 91.10.010-Vocational Nurses Program.....	5,630,000
(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 Nursing and Psychiatric Technicians Fund.....	1,294,000
Schedule:	
(1) 91.20-Psychiatric Technician Program.....	1,316,000
(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.....	825,000
Schedule:	
(1) 67-California Board of Occupational Therapy.....	847,000
(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.	
1111-002-0166—For support of the Arbitration Certification Program, Department of Consumer Affairs, payable from the Consumer Affairs-Certification Account.....	911,000

Schedule:

(1) 23-Arbitration Certification Program..... 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 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..... 716,000

Schedule:

(1) 24-Hearing Aid Dispensers Bureau..... 725,000

(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..... 9,443,000

Schedule:

(1) 25.10.010-Bureau of Security and Investigative Services, Private Security Services Program..... 11,897,000

(2) 25.02.020-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..... 4,832,000

Schedule:

(1) 27.10.010-Bureau for Private Postsecondary and Vocational Education..... 5,022,000

(2) 27.02.020-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.....		2,009,000
Schedule:		
(1) 28-Bureau of Electronic and Appliance Repair.....	2,022,000	
(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.		
1111-002-0326—For support of State Athletic Bureau, payable from the State Athletic Commission Fund....		1,245,000
Schedule:		
(1) 9-State Athletic Bureau.....	1,448,000	
(2) Amount payable from the Boxer’s Pension Fund (Item 1111-002-9250).....	-94,000	
(3) Amount payable from the Boxer’s Neurological Examination Account (Item 1111-002-0492).....	-109,000	
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. It is the intent of the Legislature to enact legislation in the second year of the 2005–06 Regular Session to reestablish the State Athletic Commission effective January 1, 2007. Upon the effective date of legislation to reestablish the State Athletic Commission, the Director of Finance may adjust budget appropriations, as necessary, to shift expenditure authority from the State Athletic Bureau to the State Athletic Commission.		

1111-002-0421—For support of the Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund..... 100,648,000

Schedule:

- (1) 31.10.016-Automotive Repair and Smog Check Programs..... 100,837,000
- (2) 31.02.090-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..... 136,000

Schedule:

- (1) 37-Telephone Medical Advice Services Program..... 136,000

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.

1111-002-0492—For support of State Athletic Bureau, for payment to Item 1111-002-0326, payable from the Boxer’s Neurological Examination Account..... 109,000

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..... 47,264,000

Schedule:

- (1) 31.20.016-Vehicle Repair Assistance..... 17,034,000
- (2) 31.20.030-Vehicle Retirement..... 19,975,000
- (3) 31.20.040-Program Administration..... 10,255,000

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, the Department of Finance may authorize transfers among and between Schedules (1) and (2). 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.

1111-002-0702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund, Professions and Vocations Fund.....

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Schedule:

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|---|-------------|
| (1) 35.10.010-Administrative and Information Services Division.....             | 39,036,000  |
| (2) 35.10.015-Public Affairs.....   | 1,009,000   |
| (3) 35.10.020-Consumer and Community Relations Division.....                    | 10,649,000  |
| (4) 35.10.025-Division of Investigation.....                                    | 7,108,000   |
| (4.5) 35.10.030-DCA Workers' Compensation.....                                  | 3,350,000   |
| (5) 35.02.010-Distributed Administrative and Information Services Division..... | -38,461,000 |
| (6) 35.02.015-Distributed Public Affairs.....                                   | -953,000    |
| (7) 35.02.020-Distributed Consumer and Community Relations Division.....        | -10,649,000 |
| (8) 35.02.025-Distributed Division of Investigation.....                        | -7,108,000  |
| (8.5) 35.02.030-Distributed DCA Workers' Compensation.....                      | -3,350,000  |
| (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.
2. The Department of Consumer Affairs shall report to the Department of Finance and the Joint



Legislative Budget Committee at the conclusion of the project, but no later than September 1, 2009, on the status of the iLicensing project, including implementation by boards and bureaus, funding allocations, preliminary usage information among new and existing licensees, and a workload analysis for the positions established to support this project. The Department of Finance may eliminate any position established in the 2006–07 State Budget that supports the iLicensing project, if the workload cannot be justified by this report. In addition, in no case may a fee increase be imposed to support this project.

- 3. In recognition of operational efficiencies resulting from the implementation of the iLicensing information technology project by participating boards, bureaus, and divisions of the Department of Consumer Affairs, a department-wide budget reduction of \$500,000 (special funds) will be effectuated in the 2009–10 fiscal year and ongoing fiscal years. However, to the extent that additional resources are needed to protect California consumers, boards, bureaus, and divisions of the department may pursue budget augmentations through the annual budget process.

1111-002-0717—For support of the Cemetery and Funeral Bureau, Department of Consumer Affairs, payable from the Cemetery Fund, Professions and Vocations Fund..... 2,123,000

Schedule:

- (1) 38.10.005-Cemetery Program..... 2,357,000
- (2) 38.02.010-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.

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..... 1,560,000

Schedule:

- (1) 38.20-Funeral Directors and Embalmers Program..... 1,572,000
- (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..... 3,959,000

Schedule:

- (1) 34-Bureau of Home Furnishings and Thermal Insulation..... 3,964,000
- (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..... 639,000

Schedule:

- (1) 25.20-Private Investigators Program..... 749,000
- (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..... 1,400,000

Schedule:

- (1) 27.20-Federal Trust Program..... 1,400,000

Provisions:

1. Notwithstanding any other provision of law, the Federal Trust Fund Account of the Bureau for Private Postsecondary and Vocational Education may borrow from the Private Postsecondary and Vocational Education Administration Fund an amount not to exceed a cumulative total of \$500,000 for the purpose of meeting cashflow needs for the purposes funded in this item due to delays in collecting federal funds. Any loan

made pursuant to this provision shall be made only upon approval of the Department of Finance, and only if the bureau demonstrates and certifies that a sufficient surplus exists in the Private Postsecondary and Vocational Education Administration Fund to support the amount of the loan, and that funds will be available from the federal government to repay the loan. All moneys transferred shall be repaid to the fund as soon as possible, but not later than one year from the date of the loan.

<p>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.....</p> <p>Schedule:</p> <p>(1) 27.30-Student Tuition Recovery Program.....</p> <p>Provisions:</p> <p>1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.</p> <p>1111-002-3069—For support of the Bureau of Naturopathic Medicine, Department of Consumer Affairs, payable from the Naturopathic Doctor’s Fund.....</p> <p>Schedule:</p> <p>(1) 39-Bureau of Naturopathic Medicine.....</p> <p>(2) Reimbursements.....</p> <p>1111-002-9250—For support of State Athletic Bureau, for payment to Item 1111-002-0326, payable from the Boxer’s Pension Fund.....</p> <p>Provisions:</p> <p>1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.</p> <p>1111-003-0001—For support of the Office of Privacy Protection, Department of Consumer Affairs.....</p> <p>Schedule:</p> <p>(1) 40-Office of Privacy Protection.....</p> <p>(2) Reimbursements.....</p> <p>1700-001-0001—For support of Department of Fair Employment and Housing.....</p>	<p>400,000</p> <p>400,000</p> <p>113,000</p> <p>116,000</p> <p>–3,000</p> <p>94,000</p> <p>785,000</p> <p>820,000</p> <p>–35,000</p> <p>15,237,000</p>
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Schedule:	
(1) 50-Administration of Civil Rights Law.....	20,745,000
(2) Amount payable from the Federal Trust Fund (Item 1700-001-0890)....	-5,508,000
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.....	5,508,000
1705-001-0001—For support of the Fair Employment and Housing Commission.....	1,091,000
Schedule:	
(1) 10-Fair Employment and Housing Commission.....	1,251,000
(2) Reimbursements.....	-160,000
1730-001-0001—For support of Franchise Tax Board....	514,618,000
Schedule:	
(1) 10-Tax Programs.....	439,936,000
(2) 20-Homeowners and Renters Assistance.....	6,172,000
(3) 30-Political Reform Audit (1,604,000).....	0
(4) 45-Child Support Automation.....	206,391,000
(5) 50-DMV Collections.....	6,092,000
(6) 60-Court Collections.....	10,215,000
(7) 70-Contract Work.....	13,569,000
(8) 80.01-Administration.....	23,051,000
(9) 80.02-Distributed Administration.....	-23,051,000
(10) Reimbursements.....	-15,050,000
(11) Reimbursements-Child Support Automation.....	-135,895,000
(12) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-0044)....	-2,113,000
(13) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-0064).....	-3,979,000
(14) Amount payable from the Emergency Food Assistance Program Fund (Item 1730-001-0122).....	-6,000
(15) Amount payable from the Delinquent Tax Collection Fund (Section 19378 of the Revenue and Taxation Code).....	-404,000

(16) 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
(17) Amount payable from the Court Collection Account (Item 1730-001-0242).....	-10,215,000
(18) Amount payable from the State Children's Trust Fund (Item 1730-001-0803).....	-11,000
(19) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-0823).....	-11,000
(20) Amount payable from the California Seniors Special Fund (Item 1730-001-0886).....	-4,000
(21) Amount payable from the California Breast Cancer Research Fund (Item 1730-001-0945).....	-7,000
(22) Amount payable from the California Peace Officer Memorial Foundation Fund (Item 1730-001-0974).....	-5,000
(23) Amount payable from the California Firefighters' Memorial Fund (Item 1730-001-0979).....	-7,000
(24) Amount payable from the California Fund for Senior Citizens (Item 1730-001-0983).....	-7,000
(25) Amount payable from the California Military Family Relief Fund (Item 1730-001-8022).....	-6,000
(26) Amount payable from the California Prostate Cancer Research Fund (Item 1730-001-8025).....	-6,000
(27) Amount payable from the California Sexual Violence Victim Services Fund (Item 1730-001-8035).....	-6,000
(28) Amount payable from the California Colorectal Cancer Prevention Fund (Item 1730-001-8036).....	-6,000
(29) Amount payable from the Veterans' Quality of Life Fund (Item 1730-001-8037).....	-6,000

Provisions:

1. It is the intent of the Legislature that all funds appropriated to the Franchise Tax Board for processing tax returns, auditing, and collecting owed tax amounts shall be used in a manner consistent with 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 2006–07 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 2006–07 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 \$126, and the filing enforcement cost recovery fee for purposes of subparagraph (A) of paragraph (2) of that subdivision shall be \$125.
4. During the 2006–07 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 \$168, and the filing enforcement cost recovery fee for purposes of subparagraph (B) of paragraph (2) of that subdivision shall be \$202.
5. Of the amounts appropriated in this item, the amounts provided in Schedule (4) and Schedule

- (11), Reimbursements—Child Support Automation, are, pursuant to Section 5 of Chapter 479 of the Statutes of 1999, available for the 2006–07 and 2007–08 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. Notwithstanding any other provision of law, upon request of the Franchise Tax Board, the Department of Finance may transfer any amounts not fully expended in Schedule (4)—Child Support Automation, to the Department of Child Support Services to provide for unanticipated costs associated with the California Child Support Automation System project. This provision may become effective 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 not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
  9. Notwithstanding any other provision of law, upon request of the Franchise Tax Board, the Department of Finance may augment the amount available for expenditure in Schedules (4)—Child Support Automation, and (11)—Reimbursements-Child Support Automation, for expenditures associated with the implementation of the California Child Support Automation System project not to exceed \$15,000,000 from Item 5175-399-0001. Project augmentations may be approved by the Director of Finance not sooner than 30 days after written notification of the necessity thereof 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 joint committee, or his or her designee, may in each instance determine. The funds appropriated by this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of the required Feasibility Study Report or Reports or equivalent document or documents.

10. Of the amount appropriated in this item, \$3,000,000 shall be available for enhancements to the California Child Support Automation System project to enable the receipt and recording of child support transitional arrears payments. This funding shall not be expended until the Department of Finance approves the Advance Planning Document or Special Project Report and 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 chairpersons of the committees in each house of the Legislature that consider appropriations, or no sooner than such lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

1730-001-0044—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.....	2,113,000
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.....	3,979,000
1730-001-0122—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Emergency Food Assistance Program Fund.....	6,000
1730-001-0200—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Fish and Game Preservation Fund (Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account).....	13,000
1730-001-0242—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Court Collection Account.....	10,215,000
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



Item	Amount
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
1730-001-8022—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
1730-001-8035—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Sexual Violence Victim Services Fund.....	6,000
1730-001-8036—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Colorectal Cancer Prevention Fund....	6,000
1730-001-8037—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Veterans’ Quality of Life Fund.....	6,000
1730-002-0001—For support of Franchise Tax Board, for rental payments on lease-revenue bonds.....	7,201,000
Schedule:	
(1) Central Office—Buildings 1 and 2 .....	7,167,000
(2) Insurance.....	75,000
(3) Reimbursements.....	-41,000
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.

1760-001-0001—For support of Department of General Services, for payment to Item 1760-001-0666..... 7,673,000

Provisions:

1. Of the amount appropriated in this item, \$7,200,000 is for State Capitol repairs and shall be available for expenditure until June 30, 2008.

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..... 3,657,000

Provisions:

1. Of the amount appropriated in this item, \$1,707,000 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 Section 11011 of the Government Code.
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.
4. Notwithstanding any other provision of law, 2006-07 revenues from Third Party Cogeneration Projects previously shared between state agencies and the Energy Resources Fund shall be deposited in the state General Fund.

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..... 2,896,000

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.....	5,572,000
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.....	5,392,000
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.	
1760-001-0367—For support of Department of General Services, for payment to Item 1760-002-0666, payable from the Indian Gaming Special Distribution Fund.....	50,000
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.....	1,472,000
1760-001-0602—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Architecture Revolving Fund.....	37,477,000
1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund.....	607,332,000
Schedule:	
(1) Program support.....	844,890,000
(2) Distributed services.....	-11,045,000
(3) Reimbursements—Lease revenue....	-18,000
(3.5) Amount payable from the General Fund (Item 1760-001-0001).....	-7,673,000
(4) Amount payable from the General Fund (Item 1760-002-0001).....	-331,000
(5) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002).....	-3,657,000
(6) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003).....	-2,896,000

(7) Amount payable from the State Emergency Telephone Number Account (Item 1760-001-0022).....	-5,572,000
(8) Amount payable from the State Motor Vehicle Insurance Account (Item 1760-001-0026).....	-5,392,000
(8.5) Amount payable from the Indian Gaming Special Distribution Fund (Item 1760-001-0367).....	-50,000
(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).....	-1,472,000
(11) Amount payable from the Archi- tecture Revolving Fund (Item 1760-001-0602).....	-37,477,000
(12) Amount payable from the Earth- quake Safety and Public Buildings Rehabilitation Fund of 1990 (Item 1760-001-0768).....	-651,000
(13) Amount payable from the State School Building Aid Fund (Item 1760-001-0739).....	-234,000
(14) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961).....	-150,000
(15) Amount payable from the 2004 State School Facilities Fund (Item 1760-001-6044).....	-12,016,000
(16) Amount payable from the Motor Vehicle Parking Facilities Money Account (Item 1760-002-0003)....	-1,093,000
(17) Amount payable from the Ser- vice Revolving Fund (Item 1760- 002-0666).....	-133,352,000
(18) Amount payable from the Service Revolving Fund (Item 1760-003- 0666).....	-14,404,000

Provisions:

1. Notwithstanding any other provision of law, revenues from the sale of legislative bills and publications received by the Legislative Bill Room shall be deposited in the Service Revolving Fund.

2. Notwithstanding any other provision of law, if the Director of General Services determines in writing that there is insufficient cash in a special fund under his or her authority to make one or more payments currently due and payable, he or she may order the transfer of moneys to that special fund in the amount necessary to make payment or payments, as a loan from the Service Revolving Fund. That loan shall be subject to all of the following conditions:
  - (a) No loan shall be made that would interfere with the carrying out of the object for which the Service Revolving Fund was created.
  - (b) The loan shall be repaid as soon as there are 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 2006–07 fiscal year from the recipient fund except as otherwise provided in Provisions 4, 5, and 6.
  - (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 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 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 Department of General Services (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 Energy Services Program, and the Office of Public Safety Radio Services to pro-

vide competitive services to their customers (including local government entities or the federal government) and may be made only if the office has sufficient operating reserves available to fund the augmentation. If the Director of General Services proposes to augment either of the items in this provision, the director shall notify the Department of Finance, the chairpersons of the fiscal committees of each house of the Legislature, 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 shall be reported in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee within 30 days of the date the augmentation is approved. This notification shall 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. 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, 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.

9. The Department of General Services shall collect information from all state departments in the executive branch on all state-owned buildings (office space) with a minimum of 50,000 square feet to determine the nature and level of security expenditures for fiscal years 2000–01 to 2005–06, inclusive. Information collected shall include the following, for each building meeting the above criteria: (a) annual expenditures on facility security, (b) annual expenditures on nonstate security personnel, (c) identification of any security-related budget augmentation requested during that period, (d) indication of whether a California Highway Patrol security assessment was performed on the facility, (e) identification and cost of any building security-related equipment purchased costing more than \$5,000 during this period, (f) facility location, (g) description of programmatic activities performed at the facility, and (h) a narrative explanation for increased costs during that period. The department shall provide this information to the Department of Finance, the Legislative Analyst’s Office, and the budget committees of each house of the Legislature no later than March 15, 2007.

1760-001-0739—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the State School Building Aid Fund....	234,000
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.....	651,000
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



1760-001-6044—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the 2004 State School Facilities Fund.....	12,016,000
1760-002-0001—For support of Department of General Services, for payment to Item 1760-001-0666.....	331,000
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.....	1,093,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base Rental and Fees.....	1,087,000
(b) Insurance.....	6,000
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 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.	
1760-002-0666—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.....	133,352,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base rental and fees.....	132,608,000
(1) Capitol Area Development Authority, Sacramento.....	692,000
(2) State Office Building, Riverside.....	2,100,000
(3) Department of Justice Building, Sacramento.....	4,935,000

- (4) San Francisco Civic Center Building..... 25,629,000
  - (5) Ronald Reagan Building, Los Angeles..... 18,036,000
  - (6) Elihu M. Harris Building, Oakland..... 10,730,000
  - (7) LA Junipero Serra II..... 4,772,000
  - (8) State Office Building, San Diego (Suburban)..... 2,885,000
  - (9) Capitol East End Garage..... 978,000
  - (10) Stephen P. Teale Data Center..... 3,497,000
  - (11) Capitol Area East End Complex..... 32,616,000
  - (12) Butterfield Warehouse Plant..... 2,496,000
  - (13) Food and Agriculture..... 1,340,000
  - (14) Butterfield Office Building..... 16,141,000
  - (15) Caltrans San Diego Office Building..... 5,761,000
  - (b) Insurance..... 762,000
  - (c) Reimbursements..... -18,000
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board monthly or as otherwise needed to ensure debt requirements are met.
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.

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.....	14,404,000
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.	
1760-011-0666—For transfer by the Controller, upon order of the Director of Finance, to the Motor Vehicle Parking Facilities Moneys Account.....	(1,772,000)
Provisions:	
1. The transfer made by this item is a loan to the Motor Vehicle Parking Facilities Moneys Account and shall be repaid as soon as there are sufficient moneys in the recipient fund, but no later than 2011–2012.	
1760-011-0739—For transfer by the Controller, upon order of the Director of Finance, to the 2002 State School Facilities Fund.....	1,510,000
1760-101-0022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account.....	152,270,000
Schedule:	
(1) 911 Emergency Telephone Number System.....	104,523,000
(2) Enhanced Wireless Services.....	47,747,000
1760-301-0001—For capital outlay, Department of General Services.....	1,742,000
Schedule:	
(1) 50.99.040-CDCR, Sierra Conservation Center, Jamestown: Buildings E & F, Structural Retrofit—Preliminary plans.....	102,000

(2) 50.99.409-CDCR, California Medical Facility, Vacaville: Inmate Housing Wings U, V & T, Structural Retrofit—Preliminary plans....	403,000	
(3) 50.99.417-Military Department Stockton Armory: Structural Retrofit—Preliminary plans.....	185,000	
(4) 50.99.418-CDCR, California Correctional Center, Susanville: Vocational Building F, Structural Retrofit—Preliminary plans.....	143,000	
(5) 50.99.421-CDCR, California Institution for Women at Frontera, Corona: Walker Clinic, Structural Retrofit—Preliminary plans.....	203,000	
(6) 50.99.422-DMH, Metro State Hospital, Norwalk: Wards 206 and 208, Structural Retrofit—Preliminary plans.....	215,000	
(7) 50.99.423-CDCR, California Correctional Institution, Tehachapi: Building H, Chapels Facility, Structural Retrofit—Preliminary plans.....	160,000	
(8) 50.99.424-DVA, Yountville: East Ward, Wing A, Structural Retrofit—Preliminary plans.....	141,000	
(9) 50.99.427-CDCR, California Institution for Women at Frontera, Corona: Infirmary, Structural Retrofit—Preliminary plans.....	190,000	
1760-301-0768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990.....		3,080,000
Schedule:		
(1) 50.99.029-Program Management....	500,000	
(2) 50.99.091-Department of Corrections and Rehabilitation, DVI, Tracy, Hospital Building: Structural Retrofit—Working drawings and construction.....	2,580,000	
Provisions:		
1. Pursuant to funds appropriated in Schedule (1) and notwithstanding any other provision of law, the Director of General Services or his or her designee may contract for program management		

services provided by a licensed architect, registered engineer, or licensed general contractor where a firm is selected to assist the Department of General Services in project management activities, planning, designing, estimating, reviewing, and completing a multiproject construction program.

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, 2007:  
0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 1760-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(10) 50.99.079-Department of Corrections and Rehabilitation, San Quentin, Building 22: Structural Retrofit—Working drawings

1760-495—Reversion, Department of General Services. As of June 30, 2006, the unencumbered balance of the appropriation provided for in the following citation shall revert to the balance of the fund from which it was made:

0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 1760-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(3) 50.99.091-California Department of Corrections and Rehabilitation, DVI, Tracy, Hospital Building: Structural Retrofit—Construction

1870-001-0001—For support of California Victim Compensation and Government Claims Board.....  
Schedule:

0

- (1) 11-Citizens Indemnification..... 69,196,000
- (2) 12-Quality Assurance and Revenue Recovery Division..... 8,614,000
- (3) 21-Disaster Relief Claim Program..... 19,000
- (4) 31-Civil Claims Against the State.... 1,314,000
- (5) 41-Citizens Benefiting the Public.... 20,000
- (6) 51.01-Administration..... 8,709,000

- (7) 51.02-Distributed Administration  
Executive Office..... -9,071,000
- (8) 51.03-Executive Office Administration..... 362,000
- (9) Reimbursements..... -1,333,000
- (10) Amount payable from the Restitution Fund (Item 1870-001-0214)..... -45,586,000
- (11) Amount payable from the Federal Trust Fund (Item 1870-001-0890)..... -32,224,000
- (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 13950) 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....	45,586,000
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.....	32,224,000
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.....	20,000
1880-001-0001—For support of State Personnel Board....	6,380,000

Schedule:

- (1) 10-Merit System Administration.... 15,335,000
- (2) 40-Local Government Services..... 2,826,000
- (3) 50.01-Administration Services..... 5,327,000
- (4) 50.02-Distributed Administration  
Services..... -1,929,000
- (5) Reimbursements..... -15,179,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the State Personnel Board, provided that:
  - (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.
  - (b) The loan is for a short term and shall be repaid by September 30, 2007.
  - (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 chairpersons of the committees in each house of the Legislature that consider 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.

1900-001-0942—For support of Public Employees’ Retirement System, payable from the federal Medicare Part D Retiree Drug Subsidy Account, Special Deposit Fund.....

489,000

Provisions:

1. Funds appropriated in this item shall be used by the Public Employees’ Retirement System to implement the processing of Medicare Part D eligibility files, reconciliation files, and subsidy requests. The Public Employees’ Retirement System shall continue to apply directly for the maximum possible amount of Medicare Part D drug subsidies in 2006 and 2007.
2. Notwithstanding the requirements of Provision 1, the Public Employees’ Retirement System may choose not to apply for subsidies related to plans that are eligible to act as sponsors and receive Part D subsidies related to their enrollees or with respect to persons enrolled in a board-approved Medicare Advantage prescription drug health benefit plan, consistent with actions of

the Public Employees' Retirement System for the calendar year 2006. If the Public Employees' Retirement System chooses not to apply for subsidies pursuant to this provision, the Public Employees' Retirement System shall so notify the Department of Finance, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the budget, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst's Office, and shall include in that notification an explanation of the facts and circumstances underlying that choice.

3. All Medicare Part D drug subsidies received as a result of the applications made pursuant to Provision 1 shall be deposited into the Special Deposit Fund and identified as Medicare Part D drug subsidy funds. The Medicare Part D drug subsidy funds shall be expended only for the purposes described in Provision 1. No Medicare Part D drug subsidy funds remaining in the Special Deposit Fund after payment of the uses listed in Provision 1 may be spent or transferred to other funds except upon appropriation by the Legislature. Notwithstanding this prohibition on spending or transferring funds, the portion of any Medicare Part D drug subsidy funds that (a) are attributable to public employers other than the state that participate in the Public Employees' Retirement System's health programs and (b) remain in the Special Deposit Fund after paying for the activities described in Provision 1 shall be distributed to these other public employers pursuant to a distribution schedule proposed by the Public Employees' Retirement System and approved by the Director of Finance.
4. If the Board of Administration of the Public Employees' Retirement System wishes to propose an amended approach concerning applications for Medicare Part D drug subsidy funds in 2008 or a use for Medicare Part D drug subsidy funds expected to be accumulated in the Special Deposit Fund, the Board of Administration shall submit a proposal for these purposes to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the appropriate fiscal and policy committees of the Legislature,



and the Director of Finance on or before December 1, 2006.

1900-001-0950—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Public Employees’ Contingency Reserve Fund..... 20,655,000

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..... (458,419,000)

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 2006–07 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, 2007, 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 2007–08 fiscal year. The Board of Administration of the Public Employees’ Retirement System shall report on or before January 10, 2008, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.
- 2. Each of the two reports described in Provision 1 also shall include all of the following:
  - (a) A summary and comparison of the externally managed portfolios, the internally managed portfolios, and the total fund. This information shall include the value of the assets, the gross and net returns, the benchmark returns, and the costs, by dollars and basis points, for these portfolios.

- (b) A description of the actions the Public Employees' Retirement System will take to ensure that any future expenditures for outside advisers will result in a greater return on investments, including costs for these advisers, than if in-house advisers were used.
- (c) Separate listings of adviser contracts in effect, and approved, during the 2005–06 and 2006–07 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..... (705,000)

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 May 15, 2007, a copy of the proposed budget for PERS for the 2007–08 fiscal year as approved by the board of administration.
  - (b) The revisions to the proposed budget for PERS for the 2006–07 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.
  - (c) Commencing October 1, 2006, all expenditure and performance workload data provided to the board of administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of Public Employees' Retirement System expenditures.

1900-015-0820—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Legislators’ Retirement Fund..... (326,000)  
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) No later than May 15, 2007, a copy of the proposed budget for the Public Employees’ Retirement System for the 2007–08 fiscal year as approved by the board of administration.
- (b) The revisions to the proposed budget for the Public Employees’ Retirement System for the 2006–07 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.
- (c) Commencing October 1, 2006, all expenditure and performance workload data provided to the board of administration, as updated on a quarterly basis. This quarterly update information shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature 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..... (230,127,000)  
Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees’ Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget

Committee, and the fiscal committees of the Legislature, all of the following:

- (a) No later than May 15, 2007, a copy of the proposed budget for the Public Employees' Retirement System for the 2007-08 fiscal year as approved by the board of administration.
  - (b) The revisions to the proposed budget for the Public Employees' Retirement System for the 2006-07 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.
  - (c) Commencing October 1, 2006, all expenditure and performance workload data provided to the board of administration, as updated on a quarterly basis. This quarterly update information shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature 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.
2. Commencing July 1, 2006, 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..... (457,000)

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 May 15, 2007, a copy of the proposed budget for PERS for the 2007–08 fiscal year as approved by the board of administration.
- (b) The revisions to the proposed budget for PERS for the 2006–07 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.
- (c) Commencing October 1, 2006, 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..... (125,000)

Provisions:

- 1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees’ Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:
  - (a) A copy of the proposed budget for the Public Employees’ Retirement System for the 2007–08 fiscal year as approved by the board of administration by May 15, 2007.
  - (b) The revisions to the proposed budget for the Public Employees’ Retirement System for the 2006–07 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.

(c) Commencing October 1, 2006, all expenditure and performance workload data provided to the board of administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.

1900-017-0950—For support of Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund..... 223,000  
Provisions:

1. The funding appropriated in this item is limited to the amount specified in Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.

1920-001-0835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund..... 115,873,000  
Schedule:

- (1) 10-Services to Members and Employers..... 116,275,000
- (2) Reimbursements..... -339,000
- (3) Amount payable from the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund pursuant to Section 22954 of the Education Code..... -63,000

Provisions:  
1. This item shall not be subject to the requirements of subdivision (b), (c), (d), or (e) of Section 31.00 of this act. Nothing in this provision shall be construed as exempting this item from requirements of the State Civil Service Act or from requirements of laws, rules, and regulations administered by the Department of Personnel Administration.  
2. Commencing July 1, 2006, 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)

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 2006–07 fiscal year pursuant to Section 22353 of the Education Code. STRS shall report to the fiscal committees of each house of the Legislature and the Joint Legislative Budget Committee no later than January 10, 2007, 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 2007–08 fiscal year. STRS shall report on or before January 10, 2008, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.
2. Each of the two reports described in Provision 1 also shall include all of the following:
  - (a) A summary and comparison of the externally managed portfolios, the internally managed portfolios, and the total fund. This information shall include the value of the assets, the gross and net returns, the benchmark returns, and the costs by dollars and basis points for these portfolios.
  - (b) A description of the actions the State Teachers’ Retirement System will take to ensure that any future expenditures for outside advisers will result in a greater return on investments, including costs for these advisers, than if in-house advisers were used.
  - (c) Separate listings of adviser contracts in effect, and approved, during the 2005–06 and

2006–07 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.

1920-011-0001—For transfer by the Controller to the State Teachers’ Retirement Fund..... (958,573,000)

Schedule:

- (1) Supplemental Benefit Maintenance Account (SBMA)..... (598,391,000)
- (2) Benefits Funding..... (360,182,000)

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.

1920-490—Reappropriation, State Teachers’ Retirement System (STRS). Notwithstanding any other provision of law, up to \$3,546,000 of the balance as of June 30, 2006, 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 or expenditure until June 30, 2007. Any amount of this reappropriation that is not expended in 2006–07 shall be carried over to 2007–08 and is hereby reappropriated. In no event shall the total amounts reappropriated for the 2007–08 Budget exceed 3 percent of STRS’ 2006–07 appropriation for Item 1920-001-0835.

0835—State Teachers’ Retirement Fund

- (1) Item 1920-001-0835, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

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 2006–07 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..... 237,070,000

Schedule:

(1) 10-Administration of Technology Services..... 237,070,000

Provisions:

1. 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.
2. Expenditure authority provided in this item to support data center infrastructure projects may not be utilized for items outside the approved project scope. In addition, the Department of 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.

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-3036—For support of Department of Alcoholic Beverage Control, payable from the Alcohol Beverage Control Fund..... 45,845,000

Schedule:

- (1) 10.10-Licensing..... 25,500,000
- (2) 10.20-Compliance..... 21,392,000
- (3) 10.30.010-Administration..... 3,888,000
- (4) 10.30.020-Distributed Administration..... -3,888,000
- (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..... (27,000)

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....	3,000,000
Provisions:	
1. Notwithstanding any other provisions of law, the Department of Alcoholic Beverage Control is authorized to grant funds to local law enforcement agencies for the purpose of enhancing enforcement of alcoholic beverage control laws in the local jurisdiction.	
2. Notwithstanding any other provisions of law, at the discretion of the Director 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, 2006, 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 2005 (Ch. 38, Stats. 2005)	
(1) 10.10-Licensing.....	665,000
(2) 10.20-Compliance.....	614,000
2120-001-0117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund.....	1,021,000
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.....	372,000
2150-001-0298—For support of Department of Financial Institutions, payable from the Financial Institutions Fund.....	19,473,000
Schedule:	
(1) 10-Licensing and Supervision of Banks and Trust Companies.....	17,291,000
(2) 20-Special Licensees.....	1,634,000

(3) 40-Administration of Local Agency Security.....	372,000	
(4) 50-Supervision of California Business and Industrial Development Corporations.....	31,000	
(5) 60-Credit Unions.....	4,086,000	
(6) 70-Savings and Loan.....	96,000	
(7) 80-Industrial Banks.....	1,021,000	
(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).....	-372,000	
(12) Amount payable from the Credit Union Fund (Item 2150-001-0299).....	-4,086,000	
2150-001-0299—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Credit Union Fund.....		4,086,000
2180-001-0067—For support of Department of Corporations, payable from the State Corporations Fund....		31,548,000
Schedule:		
(1) 10-Investment Program.....	18,066,000	
(2) 20-Lender-Fiduciary Program.....	13,632,000	
(3) 50.01-Administration.....	5,784,000	
(4) 50.02-Distributed Administration....	-5,784,000	
(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, 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.....		5,517,000
Schedule:		
(1) 10-Codes and Standards Program....	26,450,000	
(2) 20-Financial Assistance Program....	14,854,000	
(3) 30-Housing Policy Development Program.....	3,111,000	

(4) 50.01-Administration.....	10,319,000
(5) 50.02-Distributed Administration.....	-10,314,000
(6) 50.03-Distributed Administration of the Housing Policy Development Program.....	-122,000
(7) Reimbursements.....	-1,037,000
(8) Amount payable from the Mobile-home Park Revolving Fund (Item 2240-001-0245).....	-5,429,000
(9) Amount payable from the Mobile-home Park Purchase Fund (Item 2240-001-0530).....	-514,000
(10) Amount payable from the Mobile-home-Manufactured Home Revolving Fund (Item 2240-001-0648)....	-19,012,000
(11) Amount payable from the Self-Help Housing Fund (Item 2240-001-0813).....	-110,000
(12) Amount payable from the Federal Trust Fund (Item 2240-001-0890).....	-7,925,000
(13) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-0929).....	-2,132,000
(14) Amount payable from the Rental Housing Construction Fund (Item 2240-001-0938).....	-697,000
(15) Amount payable from the Predevelopment Loan Fund (Item 2240-001-0980).....	-277,000
(16) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-0985).....	-426,000
(17) Amount payable from the Jobs-Housing Balance Improvement Account (Item 2240-001-3006)....	-908,000
(18) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-001-6038).....	-314,000

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.....	5,429,000
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.....	514,000
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.....	19,012,000
Provisions:	
1. Notwithstanding Section 18077 of the Health and Safety Code, or any other provision of law, the first \$2,388,000 in revenues collected by the Department of Housing and Community Development from manufactured home license fees shall be deposited in the Mobilehome-Manufactured Home Revolving Fund, and shall be available to the department for the support, collection, administration, and enforcement of manufactured home license fees.	
2. Notwithstanding Section 18077.5 of the Health and Safety Code, or any other provision of law, the Department of Housing and Community Development is not required to comply with the reporting requirement of Section 18077.5 of the Health and Safety Code.	
2240-001-0813—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Self-Help Housing Fund.....	110,000
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.....	7,925,000
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.....	2,132,000
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.....	697,000

Item	Amount
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.....	277,000
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.....	426,000
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.....	908,000
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.....	314,000
2240-101-0001—For local assistance, Department of Housing and Community Development.....	6,316,000
Schedule:	
(1) 20-Financial Assistance Pro-gram.....	171,316,000
(2) Amount payable from the Federal Trust Fund (Item 2240-101-0890).....	-165,000,000
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.....	165,000,000
Provisions:	
1. Notwithstanding any other provision of law, federal funds appropriated by this item but not encumbered or expended by June 30, 2007, 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.....	23,000,000
2240-101-6038—For local assistance, Department of Housing and Community Development, Program 20-Financial Assistance Program, payable from the Building Equity and Growth in Neighborhoods Fund.....	24,000,000
2240-102-0001—For transfer upon order of the Director of Finance to the Joe Serna, Jr. Farmworker Housing Grant Fund.....	2,350,000

Provisions:

- 1. This amount shall be used by the Department of Housing and Community Development for repair, rehabilitation, and reconstruction of Office of Migrant Services (OMS) facilities.

2240-105-0001—For transfer, as an expenditure, upon order of the Director of Finance, to the Emergency Housing and Assistance Fund..... 4,000,000

Provisions:

- 1. The amount transferred in this item to the Emergency Housing and Assistance Fund 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.

2240-107-0929—For transfer, upon order of the Director of Finance, from the Housing Rehabilitation Loan Fund to the General Fund..... (8,000,000)

2240-115-0843—For transfer, upon order of the Director of Finance, from the California Housing Trust Fund to the General Fund..... (4,000,000)

2310-001-0400—For support of Office of Real Estate Appraisers, payable from the Real Estate Appraisers Regulation Fund..... 3,834,000

Schedule:

- (1) 10-Administration of Real Estate Appraisers Program..... 3,914,000
- (2) Reimbursements..... -80,000

2320-001-0317—For support of Department of Real Estate, payable from the Real Estate Fund..... 42,979,000

Schedule:

- (1) 10-Licensing and Education..... 9,602,000
- (2) 20-Enforcement and Recovery..... 26,987,000
- (3) 30-Subdivisions..... 6,690,000
- (4) 40.10-Administration..... 8,326,000
- (5) 40.20-Distributed Administration.... -8,326,000

(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.		
2. The Department of Real Estate shall, by January 10, 2008, report to the chairperson of the budget committee of each house of the Legislature and to the Legislative Analyst's Office all of the following: (a) actual workload data for the 2005-06 and 2006-07 fiscal years compared to the workload projected by the department in February 2006; (b) projected workload data for the 2007-08 and 2008-09 fiscal years; and (c) any staffing and funding changes requested based on (a) and (b). Workload data shall include, at a minimum, the total number of licenses; the number of onsite and offsite exams scheduled; the number of licenses issued; the number of enforcement cases assigned; the number of audits performed; the number of Subdivision Program filings; and the number of legal actions filed.		
2400-001-0933—For support of Department of Managed Health Care, payable from the Managed Care Fund.....		39,001,000
Schedule:		
(1) 30-Health Plan Program.....	39,221,000	
(2) 50.01-Administration.....	9,249,000	
(3) 50.02-Distributed Administration....	-9,249,000	
(4) Reimbursements.....	-220,000	
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.....		2,314,000
2600-001-0042—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the State Highway Account, State Transportation Fund.....		675,000
2600-001-0046—For support of California Transportation Commission, payable from the Public Transportation Account, State Transportation Fund.....		1,211,000



Schedule:

- (1) 10-Administration of California Transportation Commission..... 2,316,000
- (2) Reimbursements..... -430,000
- (3) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-0042).... -675,000

2600-402—Before allocating projects in the 2006–07 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..... 580,815,000

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.

2660-001-0041—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Aeronautics Account, State Transportation Fund..... 3,118,000

2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 2,322,131,000

Schedule:

- (1) 10-Aeronautics..... 3,154,000

(2) 20.10-Highway Transportation—Capital Outlay Support....	1,394,844,000
(3) 20.30-Highway Transportation—Local Assistance.....	35,779,000
(4) 20.40-Highway Transportation—Program Development.....	71,768,000
(5) 20.65-Highway Transportation—Legal.....	75,599,000
(6) 20.70-Highway Transportation—Operations.....	183,867,000
(7) 20.80-Highway Transportation—Maintenance.....	967,664,000
(8) 30-Mass Transportation.....	112,144,000
(9) 40-Transportation Planning.....	94,063,000
(10) 50.00-Administration.....	326,613,000
(11) 60.10-Equipment Service Program Costs.....	173,266,000
(11.5) 60.20-Distributed Equipment Service Program Costs.....	-173,266,000
(12) Reimbursements.....	-245,163,000
(13) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041).....	-3,118,000
(14) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045).....	-44,000
(15) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046).....	-131,201,000
(16) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365).....	-1,507,000
(17) Amount payable from the Federal Trust Fund (Item 2660-001-0890).....	-547,224,000
(18) Amount payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund (Item 2660-001-6801).....	-15,107,000

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 of both houses of the Legislature 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 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 chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.
- (b) To the extent that moneys in the State Highway Account are reduced pursuant to this provision, the Department of Transportation may transfer, with the approval of the Business, Transportation and Housing Agency, and upon authorization by the Director of Finance, all or part of the savings to Item 2660-101-0042, 2660-301-0042, 2660-302-0042, or 2660-303-0042 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 chairpersons of the committees in each house of the Legislature that consider 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. 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.
  6. 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 of Transportation as required to process claims utilizing federal advance construction through the plan of financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
  7. Of the funds appropriated in Schedule (7), \$588,000 is for the maintenance of the new Route 125 toll road in San Diego County. This full amount shall not be available for expenditure until the Department of Transportation has entered into a contract with the contractor for the year in which funds are to be expended.
  8. (a) Notwithstanding any other provision of law, funds appropriated in Item 2660-001-0042, 50.00-Administration from the State Highway Account may be reduced and replaced by an equivalent amount of Reimbursements funds determined by the Department of Transportation to be available and necessary to comply with Section 28.50 and the most effective management of state transportation resources. The Reimbursements Account

may also be reduced and replaced by an equivalent amount of funds from the State Highway Account. Not more than 30 days after replacing the State Highway Account funds with Reimbursements funds and vice versa, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.

- (b) To the extent that funds in the State Highway Account and Reimbursements 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 for local assistance to Item 2660-301-0042 or 2660-302-0042 for 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 chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.
- 9. Of the funds appropriated in Schedule (11), it is the intent of the Legislature that the Equipment Service Fund be abolished as of June 30, 2006. All encumbrances as of June 30, 2006, will become liabilities of the State Highway Account.
- 10. Not more than \$1,400,000 appropriated in this item is available for support of the Department of Transportation's Owner Controlled Insurance Program to administer insurance coverage for contractors on projects with combined total costs not to exceed \$750,000,000.
- 11. Of the funds appropriated in this item, \$76,000,000 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.

- 12. Of the funds appropriated in Schedule (5), \$48,600,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unencumbered as of April 1, 2007, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.
- 13. Of the funds appropriated in Schedule (2), \$19,600,000 is for capital outlay support costs that would be added due to the passage of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 on the November 7, 2006, ballot. This amount shall not be available for expenditure until after November 7, 2006, and shall only be available if the voters approve the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.
- 14. Notwithstanding Section 63048.65 of the Government Code, if no bonds are issued pursuant to that section by June 15, 2007, the Director of Finance shall transfer \$60,000,000 of the funds in the Special Deposit Fund described in that section to the Traffic Congestion Relief Fund. The director shall then transfer the amount of \$60,000,000 from the Traffic Congestion Relief Fund to the Public Transportation Account for partial repayment of loans authorized by Section 14556.8 of the Government Code.

2660-001-0045—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Bicycle Transportation Account, State Transportation Fund..... 44,000

2660-001-0046—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Public Transportation Account, State Transportation Fund..... 131,201,000

Provisions:

- 1. For Program 30—Mass Transportation, \$73,138,000 appropriated in this item is available for intercity rail.
- 2. Notwithstanding any other provision of law, funds appropriated in this item from the Public Transportation Account may be reduced and replaced by an equivalent amount of federal funds determined by the department to be available and necessary to comply with Section 8.50 and

the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.

2660-001-0365—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Historic Property Maintenance Fund..... 1,507,000

2660-001-0890—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Federal Trust Fund..... 539,054,000  
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.

2660-001-3008—For transfer by the Controller, upon the order of the Department of Transportation, from the Transportation Investment Fund to the State Highway Investment Fund, State Transportation Fund..... (185,000,000)  
Provisions:

1. Funds transferred by this item shall only be used for capital outlay support expenditures on State Transportation Improvement Program Projects.

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.....	15,107,000
2660-002-0042—For support of Department of Transportation, payable from State Highway Account to fund Garvee increase for ongoing administrative costs.....	600,000
2660-002-3007—For support of Department of Transportation, payable from the Traffic Congestion Relief Fund.....	28,929,000
Schedule:	
(1) 20.10-Highway Transportation Capital Outlay Support.....	28,203,000
(2) 30-Mass Transportation.....	265,000
(3) 50-Administration.....	461,000
Provisions:	
1. Notwithstanding any other provision of law, if the California Transportation Commission allocates funds to Traffic Congestion Relief Program projects in the 2006–07 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.	
2660-005-0042—For support of Department of Transportation, for building insurance, debt service, and other financing-related costs for department-owned office buildings, payable from the State Highway Account, State Transportation Fund.....	14,737,000
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 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.

2660-007-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 91,459,000  
Schedule:

- (1) 20.10-Highway Transportation—Capital Outlay Support..... 46,078,000
- (2) 20.65-Highway Transportation—Legal..... 594,000
- (3) 20.70-Highway Transportation—Operations..... 981,000
- (4) 20.80-Highway Transportation—Maintenance..... 43,788,000
- (5) 50-Administration..... 18,000

Provisions:

- 1. The funds appropriated in this item may be expended only to attain compliance with (a) the stormwater discharge provisions of the National Pollutant Discharge Elimination System permits as promulgated by the State Water Resources Control Board or regional water quality control boards, (b) the Statewide Storm Water Management Plan, or (c) as required by court order.
- 2. The funds appropriated in this item may be transferred between schedules. Any transfer will require the prior approval of the Department of Finance.

2660-011-0041—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:

- 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.

- 2. Funds appropriated in this item may be used for support, local assistance, or capital outlay expenditures.

2660-014-0042—For transfer by the Controller, upon the order of the Director of Finance, from the State Highway Account, State Transportation Fund, to the General Fund..... (9,287,000)

Provisions:

- 1. The funds transferred by this item are moneys from revenues that are not protected by Article XIX of the California Constitution.
- 2. The Director of Finance shall not transfer any funds in this item that would result in a loss of federal funds or require the state to provide a refund to the federal government.
- 3. The transfer of funds in this item shall constitute a reimbursement to the General Fund for debt service payments related to the general obligation bonds issued pursuant to the Clean Air and Transportation Improvement Bond Act of 1990 (Chapter 6 (commencing with Section 99690) of Part 11.5 of Division 10 of the Public Utilities Code), the Passenger Rail and Clean Air Bond Act of 1990 (Chapter 17 (commencing with Section 2701) of Division 3 of the Streets and Highways Code), and the Seismic Retrofit Bond Act of 1996 (Chapter 12.48 (commencing with Section 8879) of Division 1 of Title 2 of the Government Code).

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..... (22,902,000)

2660-022-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Program Fund to be used as specified in 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..... 69,000,000  
Schedule:

- (1) 20.30-Highway Transportation—Local Assistance..... 67,500,000
  - (a) Regional Improvements..... (64,125,000)
  - (b) Interregional Improvements..... (3,375,000)
- (2) 30-Mass Transportation..... 1,500,000

Provisions:

- 1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission through the 2008–09 fiscal year and available for encumbrance and liquidation until June 30, 2012.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 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 of Transportation 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..... 9,200,000

2660-101-0046—For local assistance, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund..... 574,790,000

Provisions:

1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2009.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-302-0046. These transfers require the prior approval of the Department of Finance.
3. Notwithstanding Provision 1, \$20,000,000 shall be expended for competitive grants to public agencies as part of an agricultural worker transportation program that will be enacted in legislation during the 2005–06 Regular Session. Notwithstanding Section 1.80, funds appropriated for this program shall be available for encumbrance or expenditure until June 30, 2009.

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..... 58,000,000

Schedule:

- (1) 20-Highway Transportation..... 58,000,000
- (a) Regional Improvements..... (55,100,000)
  - (b) Interregional Improvements..... (2,900,000)

Provisions:

1. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
2. Federal funds may be received from any federal source and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.
3. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 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 until June 30, 2009.

2660-102-0042—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund..... 113,364,000

Schedule:

- (1) 20-Highway Transportation..... 101,364,000
  - (a) Regional Surface Transportation Program Exchange..... (39,000,000)
  - (b) Local Assistance..... (62,364,000)
- (2) 40-Transportation Planning..... 12,000,000

Provisions:

- 1. Funds appropriated in Schedule (1) shall be available for allocation by the California Transportation Commission until June 30, 2009, and available for encumbrance and liquidation until June 30, 2012.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule 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..... 1,454,713,000

Schedule:

- (1) 20-Highway Transportation..... 1,324,670,000
- (2) 30-Mass Transportation..... 48,043,000
- (3) 40-Transportation Planning..... 82,000,000

Provisions:

- 1. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule 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, 2009.
- 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. For Program 40—Transportation Planning. Of the amount appropriated in this item, \$5,000,000 is for regional blueprint planning grants.

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..... 2,937,000

2660-301-0042—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund..... 161,322,000

Schedule:

- (1) 20-Highway Transportation..... 161,322,000
  - (a) Regional Improvements..... (98,406,000)
  - (b) Interregional Improvements..... (62,916,000)

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission through the 2008–09 fiscal year and available for encumbrance and liquidation until June 30, 2012.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 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..... 383,678,000

Schedule:

- (1) 20-Highway Transportation..... 383,678,000
  - (a) Regional Improvements..... (234,044,000)
  - (b) Interregional Improvements..... (149,634,000)

Provisions:

- 1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred intraschedule or to Item 2660-101-0890, 2660-102-0890, or 2660-302-0890, upon the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission until June 30, 2009.
- 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..... 1,575,700,000

Schedule:

- (1) 20-Highway Transportation..... 2,275,700,000
  - (a) State Highway Operation and Protection Program..... (2,275,700,000)
- (2) Reimbursements..... -700,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission

through the 2008–09 fiscal year and available for encumbrance and liquidation through June 30, 2012.

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 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, material labs, and traffic management centers.

2660-302-0046—For capital outlay, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund..... 134,066,000

Schedule:

- (1) 30-Mass Transportation..... 159,066,000
- (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.
2. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2009.



- 3. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-0046. These transfers shall require prior approval of the Department of Finance.

2660-302-0890—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund..... 920,864,000

Schedule:

- (1) 20-Highway Transportation..... 920,864,000
  - (a) State Highway Operation and Protection Program..... (920,864,000)

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, 2009.
- 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.

2660-303-0042—For capital outlay, Department of Transportation, specialty building facilities, payable from the State Highway Account, State Transportation Fund..... 54,742,000

Provisions:

- 1. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material labs, and traffic management

centers. Ancillary equipment associated with the management of transportation systems such as loop detectors, closed-circuit television cameras, and Transportation Management Systems field elements are not deemed specialty building facilities and are not funded from this item.

- 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.

2660-311-0042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 44,300,000

Schedule:

- (1) 20-Highway Transportation..... 44,300,000
  - (a) 20.20.516-Oakland Seismic Retrofit Project—Construction..... (44,300,000)

Provisions:

- 1. For Program 20—Highway Transportation. Upon approval of the Department of Finance, up to 20 percent of the funds appropriated in this item may be transferred from Item 2660-301-0042 or 2660-302-0042 to enable the California Transportation Commission to allocate supplemental funds to this project.
- 2. Notwithstanding any other provision of law, the project in this item shall be subject to administrative oversight by the State Public Works Board.

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, 2007..... 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.

2660-402—Before allocating projects in the 2006–07 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 of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

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, 2007. The unencumbered balance shall not be available for encumbrance.

0042—State Highway Account

- (1) Item 2660-301-0042, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (2) Item 2660-301-0042, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (3) Item 2660-301-0042, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (4) Item 2660-301-0042, Budget Act of 2001 (Ch. 106, Stats. 2001)
- (5) Item 2660-302-0042, Budget Act of 2001 (Ch. 106, Stats. 2001) as added by Ch. 1, Stats. 2002

0046—Public Transportation Account

- (1) Item 2660-301-0046, Budget Act of 2001 (Ch. 106, Stats. 2001)

0660—Public Building Construction Fund

- (1) Item 2660-311-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)
- 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 1998 (Ch. 324, Stats. 1998)
  - (2) Item 2660-301-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)
- 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 or expenditure until June 30, 2007.
- 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), Budget Act of 2003 (Ch. 157, Stats. 2003), Budget Act of 2004 (Ch. 208, Stats. 2004), Budget Act of 2005 (Ch. 38, Stats. 2005), 20.10-Highway Transportation-Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Management System.
- 0890—Federal Trust Fund
  - (1) Item 2660-399-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)
- 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, 2006. These appropriations are not available for encumbrance or liquidation and shall revert on June 30, 2007:
  - 0890—Federal Trust Fund
    - (1) Item 2660-001-890, Budget Act of 1987 (Ch. 135, Stats. 1987)

- (2) Item 2660-001-890, Budget Act of 1988 (Ch. 313, Stats. 1988)
- (3) Item 2660-001-890, Budget Act of 1989 (Ch. 93, Stats. 1989)
- (4) Item 2660-001-890, Budget Act of 1990 (Ch. 467, Stats. 1990)
- (5) Item 2660-001-890, Budget Act of 1991 (Ch. 118, Stats. 1991)
- (6) Item 2660-001-890, Budget Act of 1992 (Ch. 587, Stats. 1992)
- (7) Item 2660-001-890, Budget Act of 1993 (Ch. 55, Stats. 1993)
- (8) Item 2660-001-890, Budget Act of 1994 (Ch. 139, Stats. 1994)
- (9) Item 2660-001-890, Budget Act of 1995 (Ch. 303, Stats. 1995)
- (10) Item 2660-301-890, Budget Act of 1992 (Ch. 587, Stats. 1992)
- (11) Item 2660-301-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (12) Item 2660-301-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (13) Item 2660-001-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (14) Item 2660-001-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (15) Item 2660-001-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (16) Item 2660-001-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (17) Item 2660-001-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (18) Item 2660-001-0890, Budget Act of 2001 (Ch. 106, Stats. 2001)

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, 2007: 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.

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..... 14,298,000

Schedule:

(1) 10-High-Speed Rail Authority..... 14,298,000

Provisions:

1. Of the funding provided in this item, \$13,000,000 shall be expended to enable the authority to do all of the following during the 2006–07 fiscal year:

- (a) Complete the draft Environmental Impact Report/Environmental Impact Statement for the Northern Mountain Crossing connecting the Central Valley with the San Francisco Bay area along the proposed high-speed rail route.
- (b) Develop and submit to the Joint Legislative Budget Committee and the transportation policy committees of the Senate and Assembly, no later than May, 1, 2007, a financing plan for the high-speed rail project. The plan shall describe the timeline and estimated costs for the construction of the project, as well as a multiyear expenditure plan and proposed milestones to be achieved based on the receipt of anticipated funding for the project.
- (c) Commence site-specific environmental work, right-of-way acquisition, and identification of necessary grade separations to improve and preserve rail corridors in California so the corridors may accommodate high-speed passenger rail service and otherwise provide for the improved flow and enhanced safety of passenger and freight rail service in this state.

2700-001-0044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund..... 410,000

Schedule:

(1) 10-California Traffic Safety..... 58,778,000

(2) Amount payable from the Federal Trust Fund (Item 2700-001-0890)..... -58,368,000

Item

Amount

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.....	58,368,000
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.....	52,586,000
2720-001-0044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund....	1,403,109,000
Schedule:	
(1) 10-Traffic Management.....	1,371,704,000
(2) 20-Regulation and Inspection.....	161,250,000
(3) 30-Vehicle Ownership Security.....	36,713,000
(4) 40.01-Administration.....	225,285,000
(5) 40.02-Distributed Administration.....	-225,285,000
(6) Reimbursements.....	-94,605,000
(7) Amount payable from the State Highway Account (Item 2720-001-0042).....	-52,586,000
(8) Amount payable from the Motor Carrier Safety Improvement Fund (Item 2720-001-0293).....	-1,555,000
(9) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-0840).....	-1,429,000
(10) Amount payable from the Federal Trust Fund (Item 2720-001-0890).....	-14,085,000
(11) Amount payable from the Hazardous Substance Account, Special Deposit Fund (Item 2720-001-0942).....	-211,000
(12) Amount payable from the Asset Forfeiture Account, Special Deposit Fund (Item 2720-011-0942)....	-2,087,000
Provisions:	
1. Of the amount appropriated in this item, \$56,380,000 is for costs of the California Highway Patrol Enhanced Radio System in the 2006–07 fiscal year. On March 1, 2007, and each March 1 thereafter until the project is fully im-	

plemented, the department shall report the status of the project to the appropriate fiscal and policy committees of the Legislature and the Joint Legislative Budget Committee. At a minimum, each report shall include all of the following: (a) a revised estimate of total project costs and activities, by fiscal year, including separate reporting on the categories of mobiles, portables, remote site equipment, Department of General Services costs, and other; (b) a description of any changes in the project scope including the type and number of hardware units needed, and changes to the frequencies used; and (c) a description of any adverse effects to interoperability caused by changes in usage of new technology by local agencies or other state agencies.

2720-001-0293—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Motor Carriers Safety Improvement Fund.....	1,555,000
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.....	1,429,000
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.....	14,085,000
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.....	211,000
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.....	949,000

Schedule:

(1) Base Rental and Fees.....	948,000
(2) Insurance.....	2,000
(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 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.	
2720-011-0942—	For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Asset Forfeiture Account, Special Deposit Fund.....	2,087,000
2720-012-0903—	For transfer by the Controller from the State Penalty Fund to the California Motorcyclist Safety Fund.....	(250,000)
2720-021-0044—	For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed \$5,000,000 during the 2006–07 fiscal year, for delivery beginning in the 2007–08 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund.....	(5,000,000)
2720-101-0974—	For local assistance, Department of the 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.....	5,731,000
	Schedule:	
(1)	50.03.003-Academy: Outdoor Track Replacement—Working drawings and construction.....	945,000
(2)	50.40.400-Oakhurst: Replacement Facility—Acquisition and preliminary plans.....	1,059,000
(3)	50.57.507-Santa Fe Springs: Replacement Facility—Working drawings.....	709,000
(4)	50.59.509-Southern Division Office: Replacement study.....	50,000
(5)	50.62.602-San Diego: Building Alterations—Working drawings.....	169,000
(6)	50.63.603-Oceanside: Replacement Facility—Acquisition and preliminary plans.....	2,799,000
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.....	43,517,000

2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund..... 456,312,000

Schedule:

- (1) 11-Vehicle/Vessel Identification and Compliance..... 472,133,000
- (2) 22-Driver Licensing and Personal Identification..... 225,271,000
- (3) 25-Driver Safety..... 104,004,000
- (4) 32-Occupational Licensing and Investigative Services..... 43,838,000
- (5) 35-New Motor Vehicle Board..... 2,469,000
- (6) 41.01-Administration..... 96,742,000
- (7) 41.02-Distributed Administration..... -96,742,000
- (8) Reimbursements..... -13,816,000
- (9) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042)..... -43,517,000
- (10) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054)..... -2,469,000
- (11) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064)..... -320,900,000
- (12) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516)..... -2,775,000
- (13) Amount payable from the Motor Vehicle Account, State Transportation Fund (Chapter 12, Statutes of 2004)..... -7,926,000

Provisions:

- 1. (a) Funding provided in Items 2740-001-0042, 2740-001-0044, and 2740-001-0064, in the amounts of \$114,000, \$1,173,000, and \$848,000, respectively, shall be made available for expenditure on the Information Technology Modernization project only if an Independent Verification and Validation (IV&V) contractor is in place before release of a Request for Proposals to review and validate the proposed contract statement of work including requirements, deliverables,

- and associated pay points, as well as to help develop a Contract Management Plan.
- (b) Prior to project initiation, the Department of Motor Vehicles (DMV) will provide the Department of Finance (DOF) with a detailed Project Plan that reflects project phases including estimated cost per phase, phase activities, and scheduled phase duration. Over the life of the project, DMV shall meet with DOF monthly to report project status. DOF shall approve the project's expenditures and progression to each subsequent phase based on its evaluation of the information reported. Regarding the project's status, at the minimum, information reported by DMV to DOF shall include all of the following: (1) planned milestone completion dates versus actual milestone completion dates, (2) planned expenditures by phase versus actual expenditures, (3) description of adherence to scope and reasons for any changes.
  - (c) No later than December 31 of each year up to and including 2014, DMV shall report to the Joint Legislative Budget Committee and the policy committees on transportation on all of the following concerning the Information Technology Modernization project: (1) planned milestone completion dates versus actual milestone completion dates, (2) planned expenditures by phase versus actual expenditures, (3) description of adherence to scope and reasons for any changes.
2. Of the funds appropriated in this item, \$18,766,000 is appropriated to the Department of Motor Vehicles so that it may commence planning and making necessary investments in its information technology (IT) systems in anticipation of increased demands on the department. This appropriation does not authorize the department to implement the requirements of federal law specified in Public Law 109-13. Any implementation of those requirements shall be achieved pursuant to a subsequent state statute.
- (a) Of the funds appropriated in this provision, \$9,383,000 shall be used only for those activities necessary to enhance the depart-

ment's IT infrastructure in anticipation of increased demands on that infrastructure. These activities shall be limited to the following: (1) enhancing the department's Internet capacity to better serve the public, to reduce required visits to department field offices for non-driver's license-related transactions, and to enhance the security of the department's Internet-based programs; and (2) planning for program change and upgrading IT systems, including security enhancements to protect the privacy and integrity of data, to accommodate new requirements on the department.

- (b) Of the funds appropriated in this item, \$9,383,000 shall be available for expenditure after January 1, 2007, and used only for the activities described in subdivision (a) of this provision, after the submittal of a report to, and a 30-day review by, the Joint Legislative Budget Committee on the expenditure of funds made available to the department under subdivision (a) of this provision. The report shall provide a detailed description of the expenditures made, the milestones achieved by the department, and the planned expenditures from the funds made available to the department pursuant to this subdivision.
- (c) No later than December 15, 2006, the department shall submit to the Joint Legislative Budget Committee and the transportation policy committees of the Assembly and Senate a summary of the published federal regulations for the implementation of the federal REAL ID Act. The summary shall include all of the following: (1) a description of the federal regulations and the requirements and anticipated costs those regulations place on the state and the department; (2) a description and timeline for the necessary steps the department will need to take to implement the federal regulations, including an identification of necessary operational, regulatory, and statutory changes the department will seek to comply with federal law; (3) an evaluation of the department's ability

to comply with the federal law within the timeline required by the federal regulations; (4) a description of the requirements the federal regulations place on individuals who seek to obtain or renew a driver’s license or identification card issued by the department; and (5) a description of the privacy and security measures the department will consider utilizing in order to implement the federal regulations.

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..... 2,469,000

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..... 320,900,000

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..... 2,775,000

Provisions:

- 1. The funds appropriated in this item are for undocumented vessel registration and fee collection.

2740-301-0042—For capital outlay, Department of Motor Vehicles, for payment to Item 2740-301-0044, payable from the State Highway Account, State Transportation Fund..... 955,000

2740-301-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund..... 9,974,000

Schedule:

- (1) 71.03.020-Sacramento Headquarters: 5th Floor Asbestos Removal and Office Renovation—Working drawings and construction..... 15,651,000
- (2) 71.03.024-Sacramento Headquarters: 6th Floor Asbestos Removal, Seismic Retrofit, Office Renovation and Building Re-skin—Working drawings..... 2,216,000
- (3) 71.22.010-Statewide: Studies, pre-planning and budget packages..... 100,000

(4) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042)....	-955,000	
(5) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064).....	-7,038,000	
2740-301-0064—For capital outlay, Department of Motor Vehicles, for payment to Item 2740-301-0044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund.....		7,038,000
2740-490—Reappropriation, Department of Motor Vehicles. 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:		
0044—Motor Vehicle Account		
(1) Chapter 12, Statutes of 2004 for the settlement in the case of William Dare et al. v. Department of Motor Vehicles.		

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.....		201,000
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).		
3110-101-0140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund.....		4,086,000

Provisions:

- 1. Of the funds appropriated in this item, \$536,000 shall be available for upgrading the permit tracking system as a one-time appropriation available for expenditure until June 30, 2007.

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..... 180,000

Schedule:

- (1) 10-Tahoe Conservancy..... 5,286,000
- (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)..... -151,000
- (4) Amount payable from the California Environmental License Plate Fund (Item 3125-001-0140)..... -3,088,000
- (5) Amount payable from the Habitat Conservation Fund (Item 3125-001-0262)..... -131,000
- (6) Amount payable from the Lake Tahoe Conservancy Account (Item 3125-001-0286)..... -458,000
- (7) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-0568)..... -207,000
- (8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3125-001-6029)..... -635,000
- (9) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3125-001-6031)..... -376,000

Item	Amount
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.....	151,000
3125-001-0140—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Environmental License Plate Fund.....	3,088,000
3125-001-0262—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Habitat Conservation Fund.....	131,000
3125-001-0286—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Lake Tahoe Conservancy Account.....	458,000
3125-001-0568—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Tahoe Conservancy Fund.....	207,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay \$49,680 to the County of Placer, and \$2,750 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.....	635,000
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....	376,000
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.

- 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, 2009.

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, 2009.

3125-301-0262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservation Fund..... 369,000

Schedule:

(1) 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..... 369,000

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, 2009. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.

3125-301-0286—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Conservancy Account..... 700,000

Schedule:

- (1) 50.30.002-Land acquisition and site improvements—Public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code..... 350,000
- (2) 50.30.004-Land acquisition and site improvements—Stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code..... 350,000

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, 2009. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.

3125-301-6029—For capital outlay, California Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..... 7,183,000

Schedule:

- (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..... 1,223,000
- (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..... 810,000
- (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, 2009.

3340-001-0001—For support of California Conservation Corps..... 32,886,000

Schedule:

- (1) 10-Training and Work Program..... 58,590,000
- (2) 20.01-Administration..... 7,178,000
- (3) 20.02-Distributed Administration.... -7,178,000

- (4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3340-001-0005)..... -45,000
- (5) Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140)..... -315,000
- (6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-0235)..... -306,000
- (7) Amount payable from the Collins-Dugan California Conservation Corps Reimbursement Account (Item 3340-001-0318)..... -23,462,000
- (8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3340-001-6029)..... -1,576,000

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.....	45,000
3340-001-0140—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Environmental License Plate Fund.....	315,000
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.....	306,000
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.....	23,462,000

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 \$5,865,500 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, 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.	
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....	1,576,000
3340-101-0005—For local assistance, California Conservation Corps, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	406,000
3340-101-6029—For local assistance, California Conservation Corps, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	106,000
Schedule:	
(1) 10-Training and work program.....	106,000
3340-301-0001—For capital outlay, California Conservation Corps.....	892,000
Schedule:	
(1) 20.10.140-Minor Capital Outlay....	148,000
(2) 20.10.192-Sierra Placer Municipal Sewer/Water Connection—Preliminary plans and working drawings....	744,000
3340-301-0660—For capital outlay, California Conservation Corps, payable from the Public Buildings Construction Fund.....	26,207,000
Schedule:	
(1) 20.10.170-Tahoe Base Center Relocation—Acquisition, preliminary plans, working drawings, and construction.....	26,207,000
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 project authorized by this item.	

2. The State Public Works Board and the California Conservation Corps may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, 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 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 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 project 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. 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 2005 (Chs. 38 and 39, Stats. 2005)

- (1) 20.10.150-Delta Service District Center—Working drawings and construction
- (2) 20.10.145-Camarillo Satellite Relocation/construction—Working drawings and construction

3340-491—Reappropriation, California Conservation Corps. The balances of the appropriations provided for in the following citations, or the amounts specified, are reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance or expenditure until June 30, 2007.

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3340-101-0005, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3340-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for local assistance to local conservation corps. Of that amount, \$106,000 shall be for the Conservation Corps of Long Beach for resource conservation projects, and \$401,000 for the 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 (Resources Bond)

- (1) Item 3340-101-6029, Budget Act of 2003 (Ch. 157, Stats. 2003), for local assistance to the Tulare County Conservation Corps for the acquisition and development of facilities to support their conservation corps
- (2) Item 3340-101-6029, Budget Act of 2004 (Ch. 208, Stats. 2004), for local assistance to the East Bay Conservation Corps for the acquisition and development of facilities to support their conservation corps

3340-495—Reversion, California Conservation Corps. As of June 30, 2006, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund from which the appropriation was made:

0660—Public Buildings Construction Fund

- (1) Item 3340-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as partially reappropriated by Item 3340-490, Budget Act of 2004 (Ch. 208, Stats. 2004) and Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)



<p>(1) 20.10.170-Tahoe Base Center Relocation—Acquisition, preliminary plans, working drawings, and construction</p> <p>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....</p> <p>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.....</p> <p>Provisions:</p> <ol style="list-style-type: none"> <li>1. Notwithstanding subdivision (a) of Section 1.80 of this act, funds appropriated in this item shall be available for expenditure during the 2006–07 and 2007–08 fiscal years, except that no funds appropriated in this item shall be expended or committed for grants, loans, or research contracts prior to January 1, 2007.</li> <li>2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2012.</li> <li>3. Notwithstanding any other provision of law other than the provisions of this item, funds appropriated in this item may be used by the Energy Resources Conservation and Development Commission to provide grants, loans, or repayable research contracts. The commission may use a high-point scoring method in lieu of lowest cost when evaluating proposals. The commission shall determine repayment terms.</li> </ol> <p>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.....</p> <p>3360-001-0465—For support of Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account.....</p> <p>Schedule:</p> <ol style="list-style-type: none"> <li>(1) 10-Regulatory and Planning.....</li> <li>(2) 20-Energy Resources Conservation.....</li> <li>(3) 30-Development.....</li> </ol>	<p>139,000</p> <p>69,790,000</p> <p>5,445,000</p> <p>52,761,000</p> <p>26,179,000</p> <p>19,790,000</p> <p>104,513,000</p>
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(4) 40.01-Policy, Management and Administration.....	13,082,000
(5) 40.02-Distributed Policy, Management and Administration.....	-13,082,000
(6) Reimbursements.....	-5,745,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-0044)....	-139,000
(8) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 3360-001-0381).....	-69,790,000
(9) Amount payable from the Renewable Resource Trust Fund (Item 3360-001-0382).....	-5,445,000
(10) Amount payable from the Energy Technologies Research Development and Demonstration Account (Item 3360-001-0479).....	-2,500,000
(11) Amount payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA (Item 3360-001-0497).....	-308,000
(12) Amount payable from the Katz Schoolbus Fund (Item 3360-001-0854).....	-303,000
(13) Amount payable from the Federal Trust Fund (Item 3360-001-0890).....	-11,675,000
(14) Amount payable from the Gas Consumption Surcharge Fund (Item 3360-001-3015).....	-1,193,000
(15) 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, 2010.

<p>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.....</p> <p>Provisions:</p> <ol style="list-style-type: none"> <li>1. Notwithstanding subdivision (a) of Section 1.80 of this act, funds appropriated in this item shall be available for expenditure during the 2006–07 and 2007–08 fiscal years.</li> <li>2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2010.</li> <li>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.</li> </ol> <p>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.....</p> <p>3360-001-0854—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Katz Schoolbus Fund.....</p> <p>Provisions:</p> <ol style="list-style-type: none"> <li>1. The Controller is hereby authorized and directed to transfer all unliquidated funds from the Katz Schoolbus Fund to the Petroleum Violation Escrow Account (0853002) upon reversion of this appropriation unless an extension is requested.</li> </ol> <p>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.....</p>	<p>2,500,000</p> <p>308,000</p> <p>303,000</p> <p>11,675,000</p>
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Item	Amount
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.....	1,193,000
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
3360-101-0497—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.....	1,000,000
Schedule:	
(1) 30-Development.....	1,000,000
Provisions:	
1. Funds appropriated in this item shall be available for expenditure until June 30, 2008.	
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation until June 30, 2010.	
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, 2008:	
0381—Public Interest Research, Development, and Demonstration Fund	
(1) Item 3360-001-0381, Budget Act of 2000 (Ch. 52, Stats. 2000)	
0497—Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account	
(1) Item 3360-101-0497, 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....	1,393,000
(2) Reimbursements.....	-1,393,000
3480-001-0001—For support of Department of Conservation.....	4,165,000
Schedule:	
(1) 10-Geologic Hazards and Mineral Resources Conservation.....	22,695,000

(2) 20-Oil, Gas, and Geothermal Resources.....	18,661,000
(3) 30-Land Resource Protection.....	4,509,000
(4) 40.01-Administration.....	11,438,000
(5) 40.02-Distributed Administration.....	-11,438,000
(6) 50-Beverage Container Recycling and Litter Reduction Program.....	41,637,000
(7) 60-Office of Mine Reclamation.....	7,924,000
(8) Reimbursements.....	-8,897,000
(10) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035).....	-3,927,000
(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).....	-41,537,000
(13) Amount payable from the Soil Conservation Fund (Item 3480-001-0141).....	-3,208,000
(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).....	-2,955,000
(16) Amount payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund (Item 3480-001-0338).....	-8,784,000
(17) Amount payable from the Federal Trust Fund (Item 3480-001-0890).....	-1,779,000
(18) Amount payable from the Bosco Keene Renewable Resources Investment Fund (Item 3480-001-0940).....	-901,000
(18.5) Amount payable from the Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3102).....	-1,500,000

- (19) Amount payable from the Abandoned Mine Reclamation and Mineral Fund Subaccount, Mine Reclamation Account (Item 3480-001-3025)..... -411,000
- (20) Amount payable from the Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3046).... -16,049,000
- (21) Amount payable from the Agriculture and Open Space Mapping Subaccount (Item 3480-001-6004)..... -430,000
- (22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund of 2002 (Item 3480-001-6029)..... -543,000
- (23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3480-001-6031)..... -228,000

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.

3480-001-0035—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Surface Mining and Reclamation Account..... 3,927,000

Provisions:

- 1. Of the funds appropriated in this item, \$54,000 shall be available for the Information Technology Infrastructure Upgrades as a one-time appropriation available for expenditure until June 30, 2007.

<p>2. Of the funds appropriated in this item, \$2,000,000 shall be available to the Department of Conservation to develop remediation strategies for statewide specified chemical hazards. If the estimated costs of remediation of the specified chemical hazard exceed the amount appropriated, the department shall report back to the Legislature with its findings prior to proposing an ongoing remediation strategy.</p> <p>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.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item are for the state's share of costs of the California Institute of Technology seismograph network.</p> <p>3480-001-0133—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Beverage Container Recycling Fund.....</p> <p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$268,000 shall be available for the Information Technology Infrastructure Upgrades as a one-time appropriation available for expenditure until June 30, 2007.</p> <p>3480-001-0141—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Soil Conservation Fund.....</p> <p>3480-001-0336—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Mine Reclamation Account.....</p> <p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$54,000 shall be available for the information technology infrastructure upgrades as a one-time appropriation, available for expenditure until June 30, 2007.</p> <p>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.....</p> <p>3480-001-0890—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Federal Trust Fund.....</p>	<p>12,000</p> <p>41,537,000</p> <p>3,208,000</p> <p>2,955,000</p> <p>8,784,000</p> <p>1,779,000</p>
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Item	Amount
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.....	901,000
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.....	411,000
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.....	16,049,000
Provisions:	
1. Of the funds appropriated in this item, \$161,000 shall be available for the Information Technology Infrastructure Upgrades as a one-time appropriation available for expenditure until June 30, 2007.	
3480-001-3102—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund.....	1,500,000
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.....	543,000
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.....	228,000
3480-101-6029—For local assistance, Department of Conservation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	8,330,000
Provisions:	
1. The funds appropriated in this item shall be available for expenditure until June 30, 2009.	
3540-001-0001—For support of Department of Forestry and Fire Protection.....	491,470,000
Schedule:	
(1) 10-Office of the State Fire Marshal.....	14,737,000



(2)	11-Fire Protection.....	802,127,000
(3)	12-Resource Management.....	56,250,000
(4)	20.01-Administration.....	61,424,000
(5)	20.02-Distributed Administra- tion.....	-60,994,000
(6)	Reimbursements.....	-228,882,000
(7)	Less funding provided by capital outlay.....	-4,176,000
(8)	Amount payable from the General Fund (Item 3540-006-0001).....	-95,000,000
(9)	Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3540-001- 0005).....	-255,000
(10)	Amount payable from the State Emergency Telephone Number Account (Item 3540-001-0022)....	-1,085,000
(11)	Amount payable from the Unified Program Account (Item 3540-001- 0028).....	-316,000
(12)	Amount payable from the State Fire Marshal Licensing and Certifica- tion Fund (Item 3540-001-0102)....	-2,419,000
(13)	Amount payable from the Califor- nia Environmental License Plate Fund (Item 3540-001-0140).....	-413,000
(14)	Amount payable from the Califor- nia Fire and Arson Training Fund (Item 3540-001-0198).....	-1,626,000
(15)	Amount payable from the Haz- ardous Liquid Pipeline Safety Fund (Item 3540-001-0209).....	-2,740,000
(16)	Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235).....	-400,000
(17)	Amount payable from the Profes- sional Forester Registration Fund (Item 3540-001-0300).....	-197,000
(18)	Amount payable from the Federal Trust Fund (Item 3540-001- 0890).....	-29,230,000
(19)	Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928).....	-7,100,000

(20) Amount payable from the Timber Tax Fund (Item 3540-001-0965)....	-31,000
(21) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3540-001-6029).....	-8,045,000
(22) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3540-001-6031).....	-159,000

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.
2. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.
3. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

Item	Amount
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.....	255,000
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.....	1,085,000
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....	316,000
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.....	2,419,000
3540-001-0140—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Environmental License Plate Fund.....	413,000
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.....	1,626,000
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.....	2,740,000
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.....	400,000
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.....	29,230,000
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.....	7,100,000
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.....	31,000

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.....	8,045,000
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.....	159,000
3540-003-0001—For support of Department of Forestry and Fire Protection for rental payments on lease-revenue bonds.....	3,538,000
Schedule:	
(1) Base Rental and Fees.....	3,509,000
(2) Insurance.....	29,000
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.	
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 appropriat-	

ed 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

3540-101-6029—For local assistance, Department of Forestry and Fire Protection, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..... 2,864,000

Provisions:

1. The funds appropriated in this item shall be expended on grants consistent with the priorities set out in the California Urban Forestry Act of 1978.

3540-301-0001—For capital outlay, Department of Forestry and Fire Protection..... 24,225,000  
Schedule:

(1.5) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Working drawings and construction..... 2,964,000

(2) 30.40.020-Batterson Forest Fire Station: Relocate Facility—Preliminary plans and working drawings..... 269,000

(3) 30.40.110-Hollister Air Attack Base: Relocate Facility—Acquisition and working drawings..... 819,000

(4) 30.40.150-Baseline Conservation Camp: Remodel Facility—Working drawings..... 55,000

(5) 30.60.041-Statewide: Replace Communications Facilities, Phase IV—Preliminary plans and working drawings..... 1,834,000

(6) 30.60.050-Statewide: Construct Communications Facilities—Working drawings and construction..... 16,152,000

(7) 30.80-Minor capital outlay..... 2,132,000

Provisions:

1. The funds appropriated in 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, 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 these projects, the projects are subject to 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.....	136,943,000
Schedule:	
(1) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans, working drawings, and construction .....	929,000
(2) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Construction.....	237,000
(3) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction.....	228,000
(4) 30.10.110-Elk Camp Forest Fire Station: Relocate Facility—Construction.....	228,000
(5) 30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Working drawings and construction.....	253,000
(6) 30.10.130-Santa Clara Ranger Unit Headquarters: Replace Automotive Shop—Construction.....	322,000
(1) 30.10.265-North Region Forest Fire Station Facilities—Preliminary plans, working drawings, and construction.....	22,639,000
(1.5) 30.20.045-Weaverville Forest Fire Station: Relocate Facility—Working drawings and construction.....	2,361,000
(2) 30.20.135-Intermountain Conservation Camp: Replace Facility—Preliminary plans, working drawings, and construction.....	15,745,000

(2.1)	30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Working drawings and construction.....	924,000
(2.2)	30.30.065-San Marcos Forest Fire Station: Relocate Facility—Construction.....	261,000
(2.3)	30.30.075-Warner Springs Forest Fire Station: Replace Facility—Working drawings and construction.....	1,027,000
(2.4)	30.30.115-Ventura Youth Conservation Camp: Construct Apparatus Building, Shop, and Warehouse—Construction.....	203,000
(3)	30.30.160-South Operations Area Headquarters: Relocate Facility—Acquisition, working drawings, and construction.....	30,523,000
(3.5)	30.30.165-Cuyamaca Forest Fire Station: Relocate Facility—Construction.....	937,000
(4)	30.30.195-Miramonte Conservation Camp: Replace Facility—Preliminary plans, working drawings, and construction.....	41,770,000
(5)	30.40.030-Academy: Construct Dormitory Building and Expand Messhall—Preliminary plans, working drawings, and construction.....	10,000,000
(5.1)	30.40.075-Usona Forest Fire Station: Replace Facility—Working drawings and construction.....	954,000
(5.2)	30.40.120-Dew Drop Forest Fire Station: Replace Facility—Construction.....	219,000
(5.3)	30.40.125-Twain Harte Forest Fire Station: Relocate Facility—Construction.....	407,000
(5.4)	30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Working drawings and construction.....	1,652,000

(6) 30.40.170-Badger Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction.....	4,127,000
(6.5) 30.40.195-Altaville Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction.....	997,000

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. Notwithstanding any other provision of law, the funds appropriated by this item shall be available for expenditure during the 2006–07 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2009, appropriations for working drawings which shall be available for expenditure until June 30, 2008, and appropriations for construction which shall be available for expenditure until June 30, 2011. In addition, the balance of funds appropriated for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2009, shall revert as of that date to the fund from which the appropriation was made.
3. The Department of Forestry and Fire Protection and the State Public Works Board are 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.
4. 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 Govern-



ment Code). This section does not exempt the Department of Forestry and Fire Protection from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.

- 5. The funds appropriated by 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, 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 these projects, the projects are subject to review by the State Public Works Board and require authorization to proceed to bid from the Department of Finance.

3540-490—Reappropriation, Department of Forestry and Fire Protection. Notwithstanding any other provision of law, the balance, specified below, of the appropriation provided in the following citation is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2007:

0001—General Fund

- (1) \$10,800,000 in Item 3540-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) Program 11—Fire Protection

3540-495—Reversion, Department of Forestry and Fire Protection. As of June 30, 2006, the unencumbered balance of the appropriations provided for in the following citations shall revert to the balance for the fund from which the appropriation was made:

0660—Public Buildings Construction Fund

- (1) Item 3540-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(3.5) 30.30.150—Nipomo Forest Fire Station:  
Replace Facility—Acquisition and construction

3560-001-0001—For support of State Lands Commission.....

9,730,000

Schedule:

- (1) 10-Mineral Resources Management..... 8,967,000
- (2) 20-Land Management..... 9,197,000

(3) 30.01-Executive and Administration.....	3,214,000
(4) 30.02-Distributed Administration....	-3,214,000
(5) 40-Marine Facilities Management.....	9,164,000
(6) Reimbursements.....	-3,400,000
(7) Amount payable from the Marine Invasive Species Control Fund (Item 3560-001-0212).....	-2,229,000
(8) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-0320).....	-9,353,000
(8.5) Amount payable from the School Land Bank Fund (Item 3560-001-0347).....	-2,200,000
(9) Amount payable from the Land Bank Fund (Item 3560-001-0943)....	-416,000

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.
3. Of the funds appropriated in this item, \$2,000,000 shall be available for expenditure for identification and remediation of dangerous mine features on state school lands until June 30, 2009.

3560-001-0212—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Marine Invasive Species Control Fund.....	2,229,000
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.....	9,353,000
3560-001-0347—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the School Land Bank Fund.....	2,200,000

Provisions:

- 1. Of the funds appropriated in this item, \$2,000,000 shall be available for expenditure for identification and remediation of dangerous mine features on state school lands until June 30, 2009.

3560-001-0943—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Land Bank Fund..... 416,000

3600-001-0001—For support of Department of Fish and Game..... 101,813,000

Schedule:

- (1) 20-Biodiversity Conservation Program..... 181,265,000
- (2) 25-Hunting, Fishing and Public Use..... 58,396,000
- (3) 30-Management of Department Lands and Facilities..... 67,020,000
- (4) 40-Conservation Education and Enforcement..... 53,841,000
- (5) 50-Spill Prevention and Response..... 30,557,000
- (6) 70.01-Administration..... 35,511,000
- (7) 70.02-Distributed Administration..... -35,511,000
- (8) Reimbursements..... -64,689,000
- (9) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001-0005)..... -984,000
- (10) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140)..... -15,565,000
- (11) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200)..... -94,648,000
- (12) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207)..... -2,586,000
- (13) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211)..... -225,000

- (14) Amount payable from the Exotic Species Control Fund (Item 3600-001-0212)..... -1,233,000
- (15) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235)..... -2,665,000
- (16) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320)..... -22,279,000
- (17) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322)..... -338,000
- (18) Amount payable from the Central Valley Project Improvement Subaccount (Item 3600-001-0404).... -55,000
- (20) Amount payable from the Federal Trust Fund (Item 3600-001-0890)..... -56,218,000
- (21) Amount payable from the Special Deposit Fund (Item 3600-001-0942)..... -608,000
- (21.5) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103) -17,039,000
- (22) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3600-001-6027)..... -750,000
- (23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031)..... -6,769,000
- (24) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018)..... -2,615,000

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 (8) 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 (8) 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.
8. Of the funds appropriated in this item, at least \$3,470,000 shall be available for implementation of the Marine Life Protection Act.
9. Of the funds appropriated in this item, \$2,000,000 shall be available for expenditure until June 30, 2009, for implementation of the Marine Life Protection Act and the Marine Life Management Act.
14. Contingent upon the receipt of \$150,000 by the Department of Fish and Game from the San Francisco Public Utilities Commission, that same sum is hereby appropriated to the Department of Fish and Game for use during the 2006–07 fiscal year for associated wages, benefits, operating expenses, equipment, and department overhead associated with a full-time person-year, or equivalent, of an environmental scientist, dedicated to the planning, review, and permitting of projects related to the San Francisco Public Utilities Commission Water System Improvement Program.
15. Of the funds appropriated in this item, at least \$8,000,000 is available for expenditure for the Fisheries Restoration Grant Program consistent with Section 6271.1 of the Public Resources Code and \$6,000,000 is available for expenditure on restoration projects on the Klamath River system until June 30, 2009. The department may transfer funds between the Fisheries Restoration Grant Program and the Klamath River if additional funds are needed to maximize federal funds. This transfer shall occur no sooner than

30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the chairperson of the Joint Legislative Budget Committee. Projects on the Klamath River system may also apply for grants under the Fisheries Restoration Grant Program. Of the \$6,000,000 allocated for the Klamath River system, \$500,000 is available to the State Coastal Conservancy for a study on fish passage impediments on the Klamath River and its tributaries, including the removal of dams.

16. Of the funds appropriated in this item, \$10,000,000 is available for expenditure for public trust nongame fish and wildlife activities, including \$900,000 for invasive weed control on state-owned lands until June 30, 2009. Of this amount, up to \$1,500,000 may be made available to carry out Section 1507 of the Fish and Game Code relating to mosquito production control and the West Nile Virus. Projects undertaken to implement Section 1507 of the Fish and Game Code are not subject to Part 2 (commencing with Section 999) of the Military and Veterans Code. The Department of Fish and Game may contract with a Mosquito and Vector District, a Resource Conservation district, or a nonprofit organization to accomplish these projects.
17. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.
18. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California

Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

- 19. Of the funds appropriated in this item, at least \$5,000,000 is available for implementation of bottom trawling regulation, aquaculture regulations, the Marine Life Protection Act, and the Marine Life Management Act.

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..... 984,000

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..... 15,565,000

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..... 94,648,000

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.
- 5. Of the funds appropriated in this item, \$10,800,000 is one-time funding to eliminate a projected deficit in the Fish and Game Preservation Fund’s nondedicated account of a like amount; \$7,600,000 is one-time funding to eliminate a projected deficit in the Lake and Streambed Alteration Account of a like amount; and \$1,500,000 is for the repayment, including interest, of a 1988 loan to the Native Species Conservation and Enhancement Account from the Fish and Game Preservation Fund’s nondedicated account.

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..... 2,586,000

Item	Amount
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.....	225,000
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.....	1,233,000
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.....	2,665,000
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.....	22,279,000
3600-001-0322—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Environmental Enhancement Fund.....	338,000
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.....	55,000
3600-001-0890—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Federal Trust Fund.....	56,218,000
3600-001-0942—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Special Deposit Fund.....	608,000
3600-001-3103—For support of the Department of Fish and Game, for implementation of Section 13007 of the Fish and Game Code, payable from the Hatchery and Inland Fisheries Fund.....	17,039,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item for an assessment of the capital outlay needs of the state's nonmitigation hatcheries necessary for implementation of Section 13007 of the Fish and Game Code. The Director of Finance may also authorize expenditures from this appropriation for capital outlay projects not sooner than 30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. The written notification shall provide a description of each capital outlay project,



the need for the project, the cost and phase for which approval is requested, and the total project costs and timeline for project completion. Capital outlay projects in excess of \$500,000 shall be subject to oversight by the State Public Works Board. Capital outlay project expenditures may be augmented by up to 10 percent with notification to the Chairperson of the Joint Legislative Budget Committee. Any funding used for capital outlay purposes must be encumbered by June 30, 2009.

- 2. Of the funds appropriated in this item, \$651,000 shall be available for seven new, permanent positions for the Heritage and Wild Trout Program.

3600-001-6027—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount.....

750,000

Provisions:

- 1. All funds provided in this item for San Joaquin River Restoration activities shall be available to support any final settlement by plaintiffs, federal defendants, and the Friant defendants in the litigation titled Natural Resources Defense Council v. Rodgers (2005) 381 F.Supp.2d 1212 (NRDC v. Rodgers). All such funds provided to the Department of Water Resources and the Department of Fish and Game shall be expended to do all of the following:
  - (a) Further the ecosystem restoration and water management goals and purposes of the settlement in NRDC v. Rodgers, including any Department of Water Resources and Department of Fish and Game activities described in the Budget Change Proposals that are not inconsistent with that settlement.
  - (b) Support cooperation between and among the state agencies and parties settling NRDC v. Rodgers in implementing that settlement.
  - (c) Provide funding for any independent implementation or administration of the settlement that is not to be carried out by any settling party, including funding for any technical committees other than committees staffed or funded by the federal defendants, as called for by the settlement for the period of July 1, 2006, to June 30, 2009, inclusive.

(d) Exercise the State of California's sovereignty over the San Joaquin River, consistent with the settlement and any federal legislation implementing that settlement.

If the specified parties do not achieve a final settlement, then until a settlement is finalized, the Department of Water Resources and the Department of Fish and Game may expend this funding consistent with the Budget Change Proposal, for the purposes of promoting a final settlement or improving fish passage and related river habitat restoration projects on the San Joaquin River system between Friant Dam and the confluence of the Merced River.

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.....	6,769,000
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.....	2,615,000
3600-002-0001—For transfer, as an expenditure, by the Controller upon order of the Director of Finance, to the Fish and Game Preservation Fund.....	19,852,000
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....	18,000
3600-013-0001—For transfer, as an expenditure, by the Controller upon order of the Director of Finance to the Coastal Wetlands Fund.....	5,000,000
3600-101-0001—For local assistance, Department of Fish and Game.....	576,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	576,000
3600-101-0207—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response, payable from the Fish and Wildlife Pollution Account.....	35,000
3600-101-0320—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response, payable from the Oil Spill Prevention and Administration Fund.....	952,000
3600-301-0005—For capital outlay, Department of Fish and Game, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	75,000

Schedule:

(1) 90.07.100-Minor Projects.....	75,000	
3600-301-0235—For capital outlay, Department of Fish and Game, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....		1,094,000

Schedule:

(1) 90.07.100-Minor Projects.....	1,094,000	
3600-301-0890—For capital outlay, Department of Fish and Game, payable from the Federal Trust Fund....		130,000

Schedule:

(1) 90.07.100-Minor Projects.....	130,000	
3600-490—Reappropriation, Department of Fish and Game. The balances of the appropriations specified in the following citations are reappropriated to the Department of Fish and Game for the purposes of the CALFED Ecosystem Restoration Program.		

0546—Bay-Delta Ecosystem Restoration Account

(1) Item 3870-001-0546 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3870-490 of the Budget Act of 2004 (Ch. 208, Stats. 2004)

(2) Item 3870-001-0546 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(1) Item 3870-001-6031 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3870-490 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(2) Item 3870-001-6031 of the Budget Act of 2004 (Ch. 208, Stats. 2004)

3600-491—Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balance of the appropriation specified in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2007:

0001—General Fund

(1) \$150,000 in Item 3600-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), to continue a corrective action plan to address workload tracking and other systems to increase budget transparency.

Item	Amount
3640-001-0001—For support of Wildlife Conservation Board, payable to Item 3640-001-0447.....	195,000
3640-001-0005—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	200,000
3640-001-0140—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the California Environmental License Plate Fund.....	216,000
3640-001-0262—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the Habitat Conservation Fund.....	301,000
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.....	1,094,000
Schedule:	
(1) 10-Wildlife Conservation Board....	3,655,000
(2) Amount payable from the General Fund (Item 3640-001-0001).....	-195,000
(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3640-001-0005).....	-200,000
(4) Amount payable from the California Environmental License Plate Fund (Item 3640-001-0140).....	-216,000
(5) Amount payable from the Habitat Conservation Fund (Item 3640-001-0262).....	-301,000
(6) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3640-001-6029).....	-648,000
(7) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3640-001-6031).....	-1,001,000

Provisions:

- 1. Of the funds appropriated by this act from the General Fund, special funds, or bond funds to the Wildlife Conservation Board for local assistance or capital outlay, upon approval of the Department of Finance, the board may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the board's costs to administer the projects.

3640-001-6029—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	648,000
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.....	1,001,000
3640-301-0001—For capital outlay, Wildlife Conservation Board.....	5,000,000

Provisions:

- 1. \$3,000,000 of the funds appropriated in this item shall be available for the California Riparian Habitat Conservation Program, pursuant to Chapter 4.1 (commencing with Section 1385) of Division 2 of the Fish and Game Code.
- 2. \$2,000,000 of the funds appropriated in this item shall be available for the Inland Wetlands Conservation Program, pursuant to Chapter 4.3 (commencing with Section 1400) of Division 2 of the Fish and Game Code.
- 3. The funds appropriated in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.
- 4. The funds appropriated in this item are available for capital outlay or local assistance until June 30, 2009.

3640-301-0005—For capital outlay, Wildlife Conservation Board, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	15,224,000
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Schedule:

- (1) 80.10.610-Wildlife Conservation Board Projects (Unscheduled)..... 15,224,000

Provisions:

- 1. The funds appropriated in this item are provided in accordance with the Wildlife Conservation

Law of 1947 and, therefore, are not subject to review by the State Public Works Board.	
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2009.	
3. Of the amount appropriated in this item, \$3,254,000 shall be available to the Wildlife Conservation Board pursuant to paragraph (3) of subdivision (a) of Section 5096.350 of the Public Resources Code.	
4. Of the amount appropriated in this item, \$6,177,000 shall be available to the Wildlife Conservation Board pursuant to paragraph (5) of subdivision (a) of Section 5096.350 of the Public Resources Code.	
5. Of the amount appropriated in this item, \$5,793,000 shall be available to the Wildlife Conservation Board pursuant to paragraph (6) of subdivision (a) of Section 5096.350 of the Public Resources Code.	
3640-301-0262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund.....	20,699,000
Schedule:	
(1) 80.10-Wildlife Conservation Board	
Projects (Unscheduled).....	20,699,000
Provisions:	
1. The funds appropriated in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.	
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance through June 30, 2009.	
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.....	17,688,000
Provisions:	
1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund and the requirements of Section 79572 of the Water Code.	
3640-490—Reappropriation, Wildlife Conservation Board. 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, 2009:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3640-302-0005, Budget Act of 2000 (Ch. 52, Stats. 2000) as reappropriated by Item 3640-490, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 80.10.603-San Joaquin River Conservancy—Project and Acquisition.

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3640-302-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 80.10.103-San Joaquin River Conservancy—Project and acquisition

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(1) Item 3640-301-6031, Budget Act of 2003 (Ch. 157, Stats. 2003)

80.10.440-Colorado River Acquisition, Protection and Restoration Program

8011—Oak Woodlands Conservation Fund

(1) Item 3640-301-8011, Budget Act of 2003 (Ch. 157, Stats. 2003)

80.10.410-Oak Woodlands Conservation

3680-001-0516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund..... 16,925,000

Schedule:

(1) 10-Boating Facilities..... 15,269,000

(2) 20-Boating Operations..... 8,131,000

(3) 30-Beach Erosion Control..... 875,000

(4) 40.01-Administration..... 2,350,000

(5) 40.02-Distributed Administration.... -2,350,000

(6) Reimbursements..... -15,000

(7) Amount payable from the Federal Trust Fund (Item 3680-001-0890).... -7,293,000

(8) Less funding provided by capital outlay..... -42,000

Provisions:

1. Notwithstanding Section 85.2 of the Harbors and Navigation Code, \$875,000 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..... 7,293,000

3680-101-0516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund..... 48,190,000

Schedule:

(1) 10-Boating Facilities..... 40,133,000

(a) Launching Facility Grants..... (10,585,000)

(1) Antioch Marina

BLF..... (1,450,000)

(2) Beardsley Point..... (155,000)

(3) Bonelli Park..... (1,230,000)

(4) Caples Lake..... (1,600,000)

(5) Dana Point BLF..... (541,000)

(6) Floating Rest-rooms..... (500,000)

(7) Gridley BLF..... (635,000)

(8) Heron Pointe BLF..... (200,000)

(9) Jack Smith Park BLF..... (223,000)

(10) Live Oak BLF..... (557,000)

(11) Vessel Pumpout.... (100,000)

(12) Ramp Repair and Extension..... (500,000)

(13) Shelter Cove..... (1,726,000)

(14) Skippers Point..... (118,000)

(15) Signs..... (50,000)

(16) Reimbursement Grants..... (1,000,000)

(b) Public Small Craft Harbor Loans..... (24,505,000)

(1) Alamitos Bay Basin 1..... (8,480,000)

(2) Berkeley Marina..... (2,000,000)

(3) Dana Point Marina..... (5,000,000)

(4) Dana Point 2..... (500,000)

(5) Emergency Loans.... (500,000)

(6) Long Beach Basins 2 and 3..... (500,000)

(7) Sacramento Marina..... (1,025,000)

(8) San Francisco Marina-East..... (500,000)

(9) San Francisco Marina-West..... (6,000,000)

(c) Private Loans..... (3,500,000)



(d) Clean Vessel Act Grant Program....	(843,000)
(e) Boating Trails.....	(600,000)
(f) Boating Infrastructure Grant Program.....	(100,000)
(2) 20-Boating Operations.....	12,300,000
(3) 30-Beach Erosion Control.....	750,000
(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)....	-2,743,000
(7) Amount payable from the Public Beach Restoration Fund (Item 3680-101-3001).....	-750,000

Provisions:

1. Of the funds appropriated in Schedule (2), Program 20-Boating Operations, \$10,600,000 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..... 2,743,000

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 department’s discretion, and 85 percent of which shall be allocated by the department in accordance with the following priorities:

First—To local governments that are eligible for state aid because they are spending all their local boating revenue on boating enforcement and safety, but are not receiving sufficient state funds to meet their need as calculated pursuant to Section 663.7 of the Harbors and Navigation Code.

Second—To local governments that are not spending all local boating revenue on boating enforcement and safety, and whose boating revenue does not equal their calculated need.

Local assistance shall not exceed the difference between the calculated need and local boating revenue.

Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.

3680-101-3001—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-3001, payable from the Public Beach Restoration Fund.....	750,000
3680-112-0516—For transfer by the Controller from the Harbors and Watercraft Revolving Fund to the Abandoned Watercraft Abatement Fund.....	(500,000)
3680-113-0516—For transfer by the Controller from the Harbors and Watercraft Revolving Fund to the Public Beach Restoration Fund.....	(637,000)
3680-301-0516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....	6,045,000
Schedule:	
(2) 50.99.010-Project Planning.....	85,000
(3) 50.99.020-Minor Projects.....	5,960,000
Provisions:	
1. Funds appropriated in Schedule (2) of this item 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 2007–08 or 2008–09 fiscal year.	
3720-001-0001—For support of California Coastal Commission.....	10,795,000
Schedule:	
(1) 10-Coastal Management Program....	14,929,000
(2) 20-Coastal Energy Program.....	719,000
(3) 30.01-Administration.....	1,624,000
(4) 30.02-Distributed Administration....	-1,543,000
(5) Reimbursements.....	-1,288,000
(6) Amount payable from California Beach and Coastal Enhancement Account (Item 3720-001-0371).....	-606,000
(7) Amount payable from the Federal Trust Fund (Item 3720-001-0890)....	-3,040,000

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.....	606,000
3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund.....	3,040,000
3720-101-0371—For local assistance, California Coastal Commission, payable from California Beach and Coastal Enhancement Account, California Environmental License Plate Fund.....	708,000
Schedule:	
(1) 10-Coastal Management Program....	708,000
3760-001-0001—For support of State Coastal Conservancy.....	8,000,000
Provisions:	
1. Of the funds appropriated in this item, \$8,000,000 shall be available for implementation of the Marine Life Protection Act and Marine Life Management Act. These funds shall be expended pursuant to a plan developed jointly by the Ocean Protection Council and the Department of Fish and Game. The plan shall be submitted to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. The expenditure of these funds shall occur no sooner than 30 days after the plan has been submitted to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. These funds shall be available for expenditure until June 30, 2009.	
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.....	1,423,000
3760-001-0140—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the California Environmental License Plate Fund.....	1,201,000
3760-001-0565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund.....	3,915,000

Schedule:

(1) 15-Coastal Resource Development.....	4,748,000
(2) 25-Coastal Resource Enhancement.....	4,614,000
(3) 90.01-Administration and Support.....	3,183,000
(4) 90.02-Distributed Administration....	-3,183,000
(5) Reimbursements.....	-121,000
(6) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3760-001-0005).....	-1,423,000
(7) Amount payable from the California Environmental License Plate Fund (Item 3760-001-0140).....	-1,201,000
(8) Amount payable from the Federal Trust Fund (Item 3760-001-0890)....	-127,000
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3760-001-6029).....	-1,900,000
(10) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3760-001-6031).....	-675,000

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.....	127,000
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.....	1,900,000
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.....	675,000
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 acquisition unless the grant contract provides a reversionary interest to the state that specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.
- (b) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.
- (c) Except for the above, the expenditures of funds for grants to nonstate public agencies and nonprofit organizations shall be exempt from State Public Works Board review.

- 2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance without regard to fiscal year.
- 3. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the State Coastal Conservancy may borrow sufficient funds from the State Coastal Conservancy Fund to meet cashflow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision may be made only if the State Coastal Conservancy has a valid contract or certification signed by the agency providing the reimbursements, which demonstrates that sufficient funds will be available to repay the loan. All moneys so transferred shall be repaid to the State Coastal Conservancy Fund as soon as possible, but not later than one year from the date of the loan.

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..... 500,000
- (2) Reimbursements..... -100,000

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, 2009.

3760-301-0565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund..... 425,000

Schedule:

- (1) 80.00.020-Public Access..... 525,000
- (2) Reimbursements..... -100,000

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, 2009.

3760-301-0593—For capital outlay, State Coastal Conservancy, payable from the Coastal Access Account, State Coastal Conservancy Fund..... 1,000,000

Schedule:

- (1) 80.00.020-Public Access..... 1,100,000
- (2) Reimbursements..... -100,000

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, 2009.

3760-301-0890—For capital outlay, State Coastal Conservancy, payable from the Federal Trust Fund..... 2,000,000

Schedule:

(1) 80.97.030-Conservancy Pro-grams..... 2,000,000

Provisions:

- 1. (a) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.
- (b) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.
- (c) Except for the above, the expenditures of funds for grants to nonstate public agencies



and nonprofit organizations shall be exempt from State Public Works Board review.

- 2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2009.

3760-301-6031—For capital outlay, State Coastal Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002..... 23,500,000

Schedule:

- (1) 80.97.030-Conservancy Pro-grams..... 24,700,000
- (2) Reimbursements..... -1,200,000

Provisions:

- 1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2009.
- 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 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 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, and shall be available for encumbrance or expenditure until June 30, 2009:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3760-302-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3760-490 of the Budget Act of 2004 (Ch. 208, Stats. 2004)

(2) 80.97.030-Conservancy Programs  
(B) Ballona Wetlands

- (2) Item 3760-301-0005, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3760-490, Budget Act of 2004 (Ch. 208, Stats. 2004)

(7) 80.01.030-Laguna Coast Wilderness Park

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

- (3) Item 3760-301-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 80.00.023-San Francisco Bay Conservancy Program

(2) 80.02.032-Watershed: Water Quality Protection and Enhancement Program

(3) 80.97.030-Conservancy Programs

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (4) Item 3760-301-6031, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 80.97.030-Conservancy Programs

Provisions:

1. The funds in Schedule (2) for Item 3760-301-0005 may be used pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code to undertake projects for the South Coast Wilderness System of coastal

canyons and watersheds in south Orange County, including, but not limited to, properties in Laguna Coast Wilderness Park and Aliso and Woods Canyons Wilderness Park.

2. The funds in Schedules (3) and (4) for Items 3760-301-6029 and 3760-301-6031 are restricted to the following:

(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 these funds for grants to nonstate public agencies and nonprofit organizations shall be exempt from State Public Works Board review.

3. The funds reappropriated in Schedules (3) and (4) are available for encumbrance for either capital outlay or local assistance until June 30, 2009.

3780-001-0001—For support of Native American Heritage Commission..... 734,000

Schedule:

(1) 10-Native American Heritage Commission..... 739,000

(2) Reimbursements..... -5,000

3790-001-0001—For support of Department of Parks and Recreation..... 377,959,000

Schedule:

(1) For support of the Department of Parks and Recreation..... 605,378,000

(2) Reimbursements..... -31,060,000

(3) Less funding provided by capital outlay.....	-4,000,000
(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005).....	-7,128,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140).....	-2,808,000
(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235).....	-10,078,000
(7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263).....	-40,158,000
(8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392).....	-121,173,000
(9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449).....	-357,000
(10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516).....	-712,000
(11) Amount payable from the Federal Trust Fund (Item 3790-001-0890).....	-3,772,000
(12) Amount payable from the California Main Street Program Fund (Item 3790-001-3077).....	-175,000
(13) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029).....	-5,527,000
(14) 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 3.7 percent of each project's appropriation, except to the extent otherwise restricted by law, to allow the department to administer its grants. Such funds shall be available for encumbrance or expenditure until June 30, 2012.

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.
3. \$250,000,000 of the funds appropriated in this item shall be available for encumbrance until June 30, 2012.
4. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item for capital outlay projects not sooner than 30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. The written notification shall provide a description of each capital outlay project, the need for the project, and the cost and phase for which approval is requested. The total of these expenditures may not exceed \$250,000,000.
5. Of the funds appropriated in this item, not less than \$15,000,000 shall be available for operations and maintenance needs at new and existing facilities, including seasonal aquatic safety staffing at state beaches.

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.....	7,128,000
3790-001-0140—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the California Environmental License Plate Fund.....	2,808,000

Item Amount

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.....	10,078,000
3790-001-0263—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Off-Highway Vehicle Trust Fund....	40,158,000
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....	121,173,000
3790-001-0449—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Winter Recreation Fund.....	357,000
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.....	712,000
3790-001-0890—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Federal Trust Fund.....	3,772,000
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.....	5,527,000
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 Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, shall be available for transfer to the State Parks and Recreation Fund.

3790-101-0262—For local assistance, Department of Parks and Recreation, payable from the Habitat Conservation Fund, to be available for expenditure through fiscal year 2008–09..... 4,209,000

Schedule:

(1) 80.25-Recreational Grants..... 2,709,000

(2) 80.28-Local Projects..... 1,500,000

(a) Monterey County,  
Monterey Peninsula Regional Park  
District-Santa Lucia Mountain  
Range..... (1,500,000)

Provisions:

1. The funds appropriated by this item shall be available only for projects submitted to the Department of Parks and Recreation for consideration during the evaluation process for the Habitat Conservation Fund Program.

3790-101-0263—For local assistance, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund, for grants to cities, counties, federal agencies or special districts, as specified in Section 5090.50 of the Public Resources Code, to be available for expenditure through fiscal year 2008–09..... 18,000,000

Schedule:

(1) 80.12-OHV Grants..... 18,000,000

Provisions:

1. Funding provided in this item for grants awarded by the Off-Highway Motor Vehicle Recreation Division, in the State Department of Parks and Recreation shall be available for expenditure only after a completed gas tax study is submitted to the Legislature.

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 2008–09..... 8,700,000

Schedule:

(1) 80.12-OHV Grants..... 1,700,000

(2) 80.25-Recreational Grants..... 7,000,000

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.
4. Notwithstanding any other provision of law, the Director of Finance may authorize an intraschedule transfer of funds in this item. The intraschedule transfer shall occur no sooner than 30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

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 2008–09..... 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 2008–09..... 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.



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..... 8,754,000

Schedule:

- (1) 90.AI.101-Millerton Lake SRA: Rehabilitate La Playa Day Use Area—Working drawings..... 131,000
- (1.5) 90.E4.103-Chino Hills SP: Visitor Center—Construction..... 1,020,000
- (2) 90.G3.101-Antelope Valley Indian Museum: Structural Improvements—Construction..... 1,997,000
- (3) 90.I6.101-San Elijo SB: Replace Main Lifeguard Tower—Construction and equipment..... 2,637,000
- (3.5) 90.KZ.104-Los Angeles SHP: Planning and Conceptual Design—Study..... 765,000
- (4) 90.RS.205-Statewide: State Park System—Minor projects..... 275,000
- (5) 90.RS.235-Volunteer Enhancement Program—Minor projects..... 241,000
- (6) 90.8J.101-Columbia SHP: Drainage Improvements—Working drawings and construction..... 1,688,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated by this item shall be available for expenditure until June 30, 2010, except appropriations for working drawings which shall be available for expenditure until June 30, 2008, and minor capital outlay which shall be available for expenditure until June 30, 2007. In addition, the balance of every appropriation made in this item that contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2007, shall revert as of that date to the fund from which the appropriation was made.

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.....	2,667,000
Schedule:	
(1) 90.RS.206-Statewide: OHV Minors—Minor projects.....	2,067,000
(2) 90.RS.405-Statewide: OHV Opportunity Purchase/Budget Package/Schematic Planning—Acquisition and study.....	600,000
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 2007–08 or 2008–09 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
Provisions:	
1. Notwithstanding any other provision of law, the Department of Finance may revise and create new schedule(s) within this item, and may transfer funds appropriated within this item to and from any schedules within this item for the purposes of tracking and displaying actual expenditures by project, in accordance with the grants received.	
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.....	6,053,000
Schedule:	
(1) 90.BA.102-Big Basin Redwoods SP: Water System Improvements—Working drawings and construction.....	3,145,000
(1.5) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Construction.....	293,000

(2) 90.RS.810-Capital Outlay Projects—Acquisition, preliminary plans, working drawings, construction, and minor projects.....	3,000,000
(3) 90.2U.102-Jedediah Smith Redwoods SP: Aubell Maintenance Facility—Construction.....	949,000
(3.2) 90.42.101-MacKerricher SP: Rehabilitate Historic Pudding Creek Trestle—Construction.....	1,666,000
(3.5) 90.8D.102-Donner Memorial SP: New Visitor Center—Working drawings and construction.....	2,586,000
(3.8) Reimbursement—Donner Memorial SP: New Visitor Center.....	-2,586,000
(4) Reimbursements—Capital Outlay Projects.....	-3,000,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated by this item shall be available for expenditure until June 30, 2010, except appropriations for preliminary plans or working drawings which shall be available for expenditure until June 30, 2008, and appropriations for minor capital outlay shall be available for expenditure until June 30, 2007. In addition, the balance of every appropriation made in this item that contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2007, shall revert as of that date to the fund from which the appropriation was made.

3790-401—For the 2006–07 fiscal year, the balance as of July 1, 2006, 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 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.

3790-402—The amount loaned pursuant to Provision 2 of Item 3790-012-0061, Budget Act of 2002 (Ch. 379, Stats. 2002) shall not be required to be repaid.

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, 2007:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3790-001-6029, Budget Act of 2005 (Ch. 38, Stats. 2005)

3790-491—Reappropriation, Department of Parks and Recreation. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations and shall be available for encumbrance or expenditure until June 30, 2007:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3790-301-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3790-490, Budget Act of 2003 (Ch. 157, Stats. 2003)

(15) 90.CO.402-Henry W. Coe SP: Mount Hamilton—Acquisition

(16) 90.KV.100-Los Angeles River Parkway Project: Acquisition and Development—Acquisition

(20) 90.C9.100-Montana de Oro SP: Irish Hills—Acquisition

(2) Item 3790-302-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3790-490, Budget Act of 2003 (Ch. 157, Stats. 2003)

(15) 90.CS.100-Monterey State Beach: Acquisition

(3) Item 3790-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 3790-490, Budget Act of 2003 (Ch. 157, Stats. 2003)

(19) 90.GG.101-Silverwood Lake SRA: Campground and Day Use Improvements—Construction

- (4) Item 3790-301-0005, Budget Act of 2003 (Ch. 157, Stats. 2003)
  - (1) 90.AN.101-Empire Mine SHP: Public Underground Tour—Construction and equipment
  - (2) 90.BA.101-Big Basin Redwoods SP: Wastewater Collection/Treatment System Improvements—Construction
  - (9) 90.IL.101-Border Field SP: Development and Rehabilitate Day Use Facilities—Construction and equipment
  - (12) 90.2W.101-Prairie Creek Redwoods SP: Public Use Improvements—Construction
  - (14) 90.5N.101-Mount Diablo SP: Road System Improvements—Construction
- (5) Item 3790-301-0005, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3790-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
  - (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
- (6) Item 3790-301-0005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
  - (1.1) 90.EX.101-Malibu Creek SP: Restore Sepulveda Adobe—Construction
  - (1.2) 90.E4.103-Chino Hills SP: Visitor Center—Construction
  - (3) 90.I6.101-San Elijo SB: Replace Main Lifeguard Tower—Preliminary plans and working drawings
  - (7) 90.RS.601-Statewide: Budget Development—Study
- 0263—Off-Highway Vehicle Trust Fund
  - (1) Item 3790-301-0263, Budget Act of 2003 (Ch. 157, Stats. 2003)
    - (2.5) 90.RS.423-Statewide: OHV Park and Buffer Acquisition Projects—Acquisition
    - (3) 90.RS.405-Statewide: OHV Opportunity Purchase/Budget Package/Schematic Planning—Acquisition
    - (4) 90.6S.101-Hollister Hills SVRA: Hudner/Renz Public Use Facility—Construction and equipment

- (5) 90.IG.100-Riverside OHV Park Project: Acquisition and Development—Acquisition, preliminary plans, working drawings, construction, and equipment  
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
- (1) Chapter 1126 of the Statutes of 2002, as reappropriated by Item 3790-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) 90.8L.101-California Indian Museum: Preliminary plans, working drawings, and construction
- (2) Item 3790-301-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)
- (2) 90.CB.102-Morro Bay SP: Sewer System Improvements—Working drawings
- (2.5) 90.EC.103-Kenneth Hahn State Recreation Area: Vista Pacifica Visitor Center—Construction
- (10) 90.RS.224-Statewide: 2002 Bond State Park System Acquisition Program—Acquisition
- (18) 90.6C.101-Ano Nuevo SR: Marine Education Center—Working drawings, construction, and equipment
- (20) 90.8D.102-Donner Memorial SP: New Visitor Center—Preliminary plans
- (24) Reimbursement-Ano Nuevo SR: Marine Education Center
- (3) Item 3790-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004), as partially reappropriated by Item 3790-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (0.5) 90.AC.101-Railroad Technology Museum: Rehabilitation and Facilities Plan—Working drawings and construction
- (2) 90.CB.102-Morro Bay SP: Sewer System Improvements—Construction
- (2.1) 90.EX.103-Malibu Creek SP: Rehabilitate Public Use Facilities at Tapia—Preliminary plans
- (2.2) 90.E4.104-Chino Hills SP: Entrance Road and Facilities—Working drawings
- (2.6) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Construction and equipment

- (5.1) 90.8D.102-Donner Memorial SP: New Visitor Center—Working drawings, construction, and equipment
  - (5.5) Reimbursement-Railroad Technology Museum: Rehabilitation and Facilities Plan
  - (5.7) Reimbursement-Donner Memorial SP: Visitor Center
  - (4) Item 3790-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
    - (2) 90.EX.103-Malibu Creek SP: Rehabilitate Public Use Facilities at Tapia—Working drawings, construction, and equipment
    - (3) 90.E4.104-Chino Hills SP: Entrance Road and Facilities—Construction and equipment
    - (4) 90.FW.101-Topanga SP: Public Use Improvements—Construction and equipment
    - (4.2) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Construction
    - (7) 90.3I.101-Shasta SHP: Southside Ruins Stabilization—Working drawings and construction
    - (8) 90.6H.101-Samuel P. Taylor SP: Install New Concrete Reservoirs—Working drawings and construction
- 3790-492—Reappropriation, Department of Parks and Recreation. 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, 2007:  
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund
- (1) Item 3790-001-0005, Budget Act of 2004 (Ch. 208, Stats. 2004), \$500,000 shall be available for natural stewardship projects.
- 3790-493—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2007:  
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
- (1) Item 3790-301-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)
    - (1) 90.AC.101-Railroad Technology Museum: Rehabilitation and Facilities Plan—Studies and preliminary plans

(8) 90.RS.205-Statewide: State Parks—Minor projects

3790-494—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate the encumbrances of the following citations, subject to the following limitation, is extended to June 30, 2007:

0001—General Fund

(1) Item 3790-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as amended by subdivision (a) of Section 15 of Chapter 1021 of the Statutes of 1999, and Item 3790-493(2), Budget Act of 2004 (Ch. 208, Stats. 2004), Plaza Community Center organization to construct a teen center and to complete the Senior Citizen Civic Center in the City Terrace neighborhood of Los Angeles

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3790-102-0005(a)(5)(i), Budget Act of 2000 (Ch. 52, Stats. 2000), City of Huntington Park: Regional Community Youth Center, as reappropriated by Item 3790-492(3)(a)(5)(i), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), City of Huntington Park: Regional Community Youth Center

(2) Item 3790-102-0005(a)(5)(qx), Budget Act of 2000 (Ch. 52, Stats. 2000), City of Huntington Park: Bonelli Regional Youth Center, as reappropriated by Item 3790-492(3)(a)(5)(qx), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), City of Huntington Park: Bonelli Regional Youth Center

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), and Item 3790-492(1), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1) 80.25.001-Local Grants—Conservation Fund Program

Provisions:

1. The reappropriation in Schedule (1), Item 3790-101-0262, Budget Act of 1999 (Ch. 50, Stats. 1999), is limited to the \$325,000 grant to the Mid-Peninsula Regional Open Space District.



3790-495—Reversion, Department of Parks and Recreation. As of June 30, 2006, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund from which the appropriations were made:

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), as reappropriated by Item 3790-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(2.7) 90.IH.101-Lake Perris SRA: Replace Lifeguard Headquarters—Construction and equipment

(2) Item 3790-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(4.3) 90.IH.101-Lake Perris SRA: Replace Lifeguard Headquarters—Construction

3790-496—Reversion, Department of Parks and Recreation. As of June 30, 2006, 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 2004 (Ch. 208, Stats. 2004)

(2) 90.RS.235-Statewide: Volunteer Enhancement Program—Minor projects

3810-001-0140—For support of Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund.....

287,000

Schedule:

(1) 10-Santa Monica Mountains Conservancy..... 741,000

(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3810-001-6029)..... -231,000

(3) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3810-001-6031)..... -223,000

Provisions:

1. Notwithstanding Article 4 (commencing with Section 11040) of Chapter 1 of Part 1 of Divi-

sion 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.....	231,000
3810-001-6031—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-001-0140, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002....	223,000
3810-301-0941—For capital outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund.....	57,000

Schedule:

(1) 50.20-Capital Outlay and Local Assistance..... 57,000

Provisions:

- 1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants until June 30, 2009.
- 3. The Santa Monica Mountains Conservancy shall provide a report to the Department of Finance on donations received during the prior fiscal year on or before September 1 of each year.

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..... 8,500,000

Schedule:

(1) 50.20-Capital Outlay and Local Assistance..... 8,500,000

Provisions:

- 1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants until June 30, 2009.
- 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.

3820-001-0001—For support of San Francisco Bay Conservation and Development Commission..... 4,230,000

Schedule:

(1) 10-Bay Conservation and Development..... 5,103,000

(2) Reimbursements..... -678,000

(3) Amount payable from the Bay Fill Clean-up and Abatement Fund (Item 3820-001-0914)..... -195,000

Provisions:

- 1. It is the intent of the Legislature that the San Francisco Bay Conservation and Development Commission revise its permit fee schedule to increase fee revenues to at least 50 percent of the amount appropriated in the item to support the operation of the commission’s regulatory program.

Item	Amount
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.....	195,000
3825-001-0140—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Environmental License Plate Fund.....	307,000
Schedule:	
(1) 10-San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.....	539,000
(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 and 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 and 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.....	2,800,000
Schedule:	
(1) 30.10-Capital Outlay and Grants....	2,825,000
(2) Reimbursements.....	-25,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2009.	
3830-001-0104—For support of San Joaquin River Conservancy, for payment to Item 3830-001-0140, payable from the San Joaquin River Conservancy Fund.....	58,000

Item	Amount
3830-001-0140—For support of San Joaquin River Conservancy, payable from the California Environmental License Plate Fund.....	266,000
Schedule:	
(1) 10-San Joaquin River Conservancy .....	434,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3830-001-6029).....	-110,000
(3) Amount payable from the San Joaquin River Conservancy Fund (Item 3830-001-0104).....	-58,000
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.....	2,000,000
(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, 2009.	
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.....	309,000
Schedule:	
(1) 10-Baldwin Hills Conservancy.....	415,000

(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
3835-490—Reappropriation, Baldwin Hills 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 those appropriations, and shall be available for encumbrance or expenditure until June 30, 2009:		
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund		
(1) Item 3835-301-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)		
(1) 20-Capital Outlay Acquisition and Improvement Program		
3840-001-0140—For support of Delta Protection Commission, payable from the California Environmental License Plate Fund.....		154,000
3840-001-0516—For support of Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund.....		213,000
3845-001-0140—For support of San Diego River Conservancy, payable from the California Environmental License Plate Fund.....		292,000
Schedule:		
(1) 10-San Diego River Conservancy....	292,000	
3850-001-0140—For support of Coachella Valley Mountains Conservancy, payable from the California Environmental License Plate Fund.....		240,000
Schedule:		
(1) 10-Coachella Valley Mountains Conservancy.....	397,000	
(2) Reimbursements.....	-125,000	
(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

3850-301-0296—For capital outlay, Coachella Valley Mountains Conservancy, payable from the Coachella Valley Mountains Conservancy Fund..... 0

Schedule:

- (1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs..... 500,000
- (2) Reimbursements..... -500,000

Provisions:

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2009.
- 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.

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..... 211,000

Schedule:

- (1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs..... 211,000

Provisions:

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2009.

3850-490—Reappropriation, Coachella Valley Mountains Conservancy. The amounts specified 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, 2007:

- 6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
- (1) \$577,000 in Item 3850-301-6029, Budget Act of 2002 (Ch. 379, Stats. 2002)

(1) 20.00.000.000-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs	
3850-495—Reversion, Coachella Valley Mountains Conservancy. As of June 30, 2006, the unencumbered balance of the appropriation provided for 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) Item 3850-001-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)	
3855-001-0140—For support of Sierra Nevada Conservancy, payable from the California Environmental License Plate Fund.....	3,462,000
Schedule:	
(1) 10-Sierra Nevada Conservancy.....	3,662,000
(2) Reimbursements.....	-200,000
3855-490—Reappropriation, Sierra Nevada Conservancy. The amount specified in the following citation is reappropriated for out-of-state travel, training, facilities operations, and interagency contractual services.	
0140—California Environmental License Plate Fund	
(1) \$276,000 in Item 3855-001-0140, Budget Act of 2005 (Ch. 38, Stats. 2005), and is available for encumbrance or expenditure until June 30, 2007.	
3860-001-0001—For support of Department of Water Resources.....	61,997,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	129,658,000
(2) 20-Implementation of the State Water Resources Development System.....	5,184,000
(3) 30-Public Safety and Prevention of Damage.....	79,246,000
(4) 40-Services.....	8,729,000
(5) 45-California Energy Resources Scheduling (CERS).....	21,076,000
(6) 50.01-Management and Administration.....	63,700,000
(7) 50.02-Distributed Management and Administration.....	-63,700,000
(8) Reimbursements.....	-26,256,000



(9) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-269,000
(10) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404).....	-1,575,000
(11) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445).....	-114,000
(12) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446).....	-125,000
(13) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465).....	-1,941,000
(14) Amount payable from the Local Projects Subaccount (Item 3860-001-0543).....	-101,000
(15) Amount payable from the Sacramento Valley Water Management and Habitat Protection Subaccount (Item 3860-001-0544).....	-60,000
(16) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744).....	-195,000
(17) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-12,546,000
(18) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-9,128,000
(19) Amount payable from the Electric Power Fund (Item 3860-001-3100).....	-21,076,000
(20) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001).....	-988,000
(21) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005).....	-460,000
(22) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007).....	-609,000

(23) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-703,000
(24) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-789,000
(25) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025).....	-1,316,000
(26) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-22,479,000
(27) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).....	-1,446,000
(28) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-79,720,000

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. Funds appropriated in Schedule 3(a) shall be available for encumbrance by the Department of Water Resources until June 30, 2009, and available for liquidation until June 30, 2011.
3. Of the funds appropriated in this item, \$250,000 for Sacramento Bypass Levee repair shall be available for encumbrance until June 30, 2009, and available for liquidation until June 30, 2011.
4. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

- 5. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

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.....	269,000
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....	114,000
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
3860-001-0465—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Energy Resources Programs Account.....	1,941,000
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
3860-001-0544—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount.....	60,000

Item	Amount
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.....	12,546,000
3860-001-3057—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Dam Safety Fund.....	9,128,000
3860-001-3100—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Electric Power Fund.....	21,076,000
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
3860-001-6005—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Flood Protection Corridor Subaccount.....	460,000
3860-001-6007—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Urban Stream Restoration Subaccount.....	609,000
3860-001-6010—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Yuba Feather Flood Protection Subaccount.....	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
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.....	22,479,000
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.....	1,446,000

Provisions:

1. All funds provided for in this item for San Joaquin River Restoration activities shall be available to support any final settlement by plaintiffs, federal defendants, and the Friant defendants in the litigation titled Natural Resources Defense Council v. Rodgers (2005) 381 F.Supp.2d 1212 (NRDC v. Rodgers). All such funds provided to the Department of Water Resources and the Department of Fish and Game shall be expended to do all of the following:
  - (a) Further the ecosystem restoration and water management goals and purposes of the settlement in NRDC v. Rodgers, including any Department of Water Resources and Department of Fish and Game activities described in the Budget Change Proposals that are not inconsistent with that settlement.
  - (b) Support cooperation between and among the state agencies and parties settling NRDC v. Rodgers in implementing that settlement.
  - (c) Provide funding for any independent implementation or administration of the settlement that is not to be carried out by any settling party, including funding for any technical committees other than committees staffed or funded by the federal defendants, as called for by the settlement, for the period of July 1, 2006, to June 20, 2009, inclusive.
  - (d) Exercise the State of California's sovereignty over the San Joaquin River, consistent with the settlement and any federal legislation implementing that settlement.

If the specified parties do not achieve a final settlement, then until a settlement is finalized, the Department of Water Resources and the Department of Fish and Game may expend this funding consistent with the Budget Change Proposal, for the purposes of promoting a final settlement or improving fish passage and related river habitat restoration projects on the San Joaquin River system between Friant Dam and the confluence of the Merced River.

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....

79,720,000

Provisions:

1. This item contains \$1,000,000 to continue studies of the feasibility of enlarging the Los Vaqueros Reservoir. These funds shall not be expended to fund this activity until regional partners in the Los Vaqueros Reservoir execute an agreement to work together and fund continued investigation and planning for the Los Vaqueros Reservoir.

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)..... 62,931,000

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 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, 2007.

3860-013-0144—For transfer by the Controller from the California Water Fund to the General Fund..... (15,614,000)

3860-101-0001—For local assistance, Department of Water Resources..... 108,370,000

Provisions:

1. Notwithstanding any other provision of law, the amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2009.
2. The Department of Water Resources shall give priority to processing \$10,000,000 in claims from the Napa County Flood Control and Water Conservation District to avoid delays that could lead to the loss of federal funds or create otherwise avoidable flood risks along the Napa River. This priority shall apply during the 2006–07 fiscal year in recognition of the extensive flood damage that occurred in January 2006.

3860-101-0176—For local assistance, Department of Water Resources, payable from the Delta Flood Protection Fund..... 995,000

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

3860-101-6023—For local assistance, Department of Water Resources, payable from the Water Conservation Account..... 17,933,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance by the Department of Water Resources until June 30, 2009, and available for liquidation until June 30, 2011.

3860-101-6025—For local assistance, Department of Water Resources, payable from the Conjunctive Use Subaccount..... 2,000,000

3860-101-6027—For local assistance, Department of Water Resources, payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount..... 1,999,000

3860-301-0001—For capital outlay, Department of Water Resources..... 31,383,000

Schedule:

(1) 30.95.010-Sacramento River Bank Protection Project..... 4,920,000

(2) 30.95.115-American River Flood Control Project: Common Elements..... 9,155,000

(3) 30.95.220-Upper Sacramento River Area Levee Restoration Project..... 484,000

(4) 30.95.245-American River Flood Control Project—Natomas Features.....	496,000
(5) 30.95.311-Folsom Dam Modifications Project.....	19,455,000
(6) 30.95.330-American River Watershed, Folsom Dam Raise Project, Bridge Element.....	6,762,000
(7) Reimbursements-American River Flood Control Project: Common Elements.....	-2,715,000
(8) Reimbursements-Upper Sacramento River Area Levee Restoration Project.....	-127,000
(9) Reimbursements-Folsom Dam Modifications Project.....	-5,040,000
(10) Reimbursements-American River Watershed, Folsom Dam Raise Project, Bridge Element.....	-2,007,000

Provisions:

1. The funds appropriated in this item may be expended for relocations and acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, spoil areas, and easements 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 pay-



ments 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, power lines, 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 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, 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.
6. Payments from a local sponsor to pay for obligations that are federal obligations may be received by the Department of Water Resources and advanced to the federal government with the intent that the costs shall be reimbursed or eligible for credit.

3860-301-6026—For capital outlay, Department of Water Resources, payable from the Bay-Delta Multipurpose Water Management Subaccount.....	26,600,000
Schedule:	
(1) 10.95.015-South Delta Improvements Program.....	26,600,000
Provisions:	
1. This item contains \$26,600,000 to support implementation of the South Delta Improvement Program. These funds shall not be expended to fund this activity until the Secretary for Resources submits to the Legislature a report on the actions it will take, other than study, in the next fiscal year to stabilize the ecosystem in the Delta and to address the pelagic organism decline.	
3860-301-6031—For capital outlay, Department of Water Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	15,000,000
Schedule:	
(1) 10.95.015-South Delta Improvements Program.....	15,000,000
Provisions:	
1. This item contains \$15,000,000 to support the implementation of the South Delta Improvement Program. These funds shall not be expended to fund this activity until the Secretary for Resources submits to the Legislature a report on the actions it will take, other than study, in the next fiscal year to stabilize the ecosystem in the Delta and to address the pelagic organism decline.	
3860-490—Reappropriation, Department of Water Resources. The balances of 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:	
0001—General Fund	
(1) Item 3860-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), as reappropriated by Item 3860-490, Budget Act of 2001 (Ch. 106, Stats. 2001), and Item 3860-490, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(4) 30.95.210-Tisdale Bridge Replacement	
(2) Item 3860-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-	

490, Budget Act of 2001 (Ch. 106, Stats. 2001), and Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002), and Budget Act of 2003 (Ch. 157, Stats. 2003)

(3.1) Yuba River Basin Project

(3) Item 3860-301-0001, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 30.95.105-Marysville/Yuba Levee Reconstruction

6008—State Capital Protection Subaccount

(1) Item 3860-301-6008, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-490, Budget Act of 2003 (Ch. 157, Stats. 2003)

(2) Magpie Creek Small Flood Control Project

(4) South Sacramento County Streams

3860-491—Reappropriation, Department of Water Resources. The balances of the appropriations 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:

6026—Bay-Delta Multipurpose Water Management Subaccount

(1) Item 3860-001-6026, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) for purposes of the CALFED Conveyance and Science Programs.

(2) Item 3860-001-6026, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004) for purposes of the CALFED Conveyance and Science Programs.

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(1) Item 3860-101-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) for purposes of the Integrated Regional Water Management Grant Program.

(2) Item 3860-101-6031, Budget Act of 2004 (Ch. 208, Stats. 2004) for purposes of the Watershed Grant Program.

(3) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004) for the purposes of the CALFED Water Use Efficiency Grant and the Water Supply Reliability Programs.

- (4) Item 3860-101-6031, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004) for the purposes of the Integrated Regional Water Management Grant Program.
- 3860-492—Reappropriation, Department of Water Resources. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2008:
  - 0446—Water Conservation and Groundwater Recharge Subaccount
    - (1) Item 3860-101-0446, Budget Act of 2003 (Ch. 157, Stats. 2003) Water Conservation and Groundwater Recharge Program.
  - 0543—Local Projects Subaccount
    - (1) Item 3860-101-0543, Budget Act of 2001 (Ch. 106, Stats. 2001) Local Project Loan and Grant Program.
  - 6003—Floodplain Mapping Subaccount
    - (1) Item 3860-001-6003, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-491, Budget Act of 2001 (Ch. 106, Stats. 2001) Pro-Act Floodplain Mapping Program.
  - 6005—Flood Protection Corridor Subaccount
    - (1) Item 3860-101-6005, Budget Act of 2003 (Ch. 157, Stats. 2003) Flood Protection Corridor Program.
  - 6007—Urban Stream Restoration Subaccount
    - (1) Item 3860-101-6007, Budget Act of 2001 (Ch. 106, Stats. 2001) Urban Streams Restoration Program.
  - 6010—Yuba Feather Flood Protection Subaccount
    - (1) Item 3860-101-6010, Budget Act of 2001 (Ch. 106, Stats. 2001) Yuba Feather Flood Protection Program.
    - (2) Item 3860-101-6010, Budget Act of 2003 (Ch. 157, Stats. 2003) Yuba Feather Flood Protection Program.
  - 6023—Water Conservation Account
    - (1) Item 3860-101-6023, Budget Act of 2001 (Ch. 106, Stats. 2001) Agricultural Water Conservation Program, Groundwater Recharge Facilities Loan Program, Infrastructure Rehabilitation Program, and Urban Water Conservation Program.
    - (2) Item 3860-101-6023, Budget Act of 2003 (Ch. 157, Stats. 2003) Groundwater Recharge Facili-

ties Loan Program and Infrastructure Rehabilitation Program.

6025—Conjunctive Use Subaccount

(1) Item 3860-101-6025, Budget Act of 2001 (Ch. 106, Stats. 2001) Groundwater Storage Program.

6026—Bay-Delta Multipurpose Water Management Subaccount

(1) Item 3860-001-6026, Budget Act of 2001 (Ch. 106, Stats. 2001) CALFED Conveyance Program-Delta Cross Channel and Through Delta Facility Studies.

(2) Item 3860-001-6026, Budget Act of 2003 (Ch. 157, Stats. 2003) CALFED Ecosystem Restoration/Water Quality Program.

6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount

(1) Item 3860-101-6027, Budget Act of 2001 (Ch. 106, Stats. 2001) Interim Reliable Water Supply Program.

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(1) Item 3860-101-6031, Budget Act of 2003 (Ch. 157, Stats. 2003) Delta Levees System Integrity Program.

(1) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats 2003) Water Supply Reliability Program.

3860-493—Reappropriation, Department of Water Resources. The balance of the appropriation in the following citation is reappropriated for the purposes provided for in the appropriation and shall be available for encumbrance or expenditure until June 30, 2009:

6010—Yuba Feather Flood Protection Subaccount

(1) Item 3860-301-6010, Budget Act of 2000 (Ch. 52, Stats. 2000)

(1) Colusa Basin Watershed Flood Protection Program

3860-495—Reversion, Department of Water Resources. As of June 30, 2006, the appropriations provided in the following citations shall revert to the fund from which the appropriations were made:

6005—Flood Protection Corridor Subaccount

(1) Item 3860-001-6005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)..... 132,000

6007—Urban Streams Restoration Subaccount

(1) Item 3860-001-6007, Budget Act of 2004 (Ch. 208, Stats. 2004).....	53,000
(2) Item 3860-001-6007, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).....	79,000
6023—Water Conservation Account	
(1) Item 3860-101-6023, Budget Act of 2004 (Ch. 208, Stats. 2004).....	2,933,000
6025—Conjunctive Use Subaccount	
(1) Item 3860-101-6025, Budget Act of 2001 (Ch. 106, Stats. 2001).....	2,000,000
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003).....	800,000
(2) Item 3860-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004).....	200,000
(3) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003).....	4,062,757
(4) Item 3860-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004).....	1,300,432
(5) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003) as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004), CALFED Storage.....	168,730

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-0001—For support of State Air Resources Board, for payment to Item 3900-001-0044.....	2,280,000
3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund.....	160,579,000
Schedule:	
(1) 15-Mobile Source.....	272,255,000
(2) 25-Stationary Source.....	51,210,000
(3) 30.01-Program Direction and Support.....	11,074,000
(4) 30.02-Distributed Program Direction and Support.....	-11,074,000
(5) Reimbursements.....	-4,690,000
(6) Amount payable from the General Fund (Item 3900-001-0001).....	-2,280,000
(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-128,133,000

- (8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421)..... -12,530,000
- (9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434)..... -862,000
- (10) Amount payable from the Federal Trust Fund (Item 3900-001-0890)..... -12,892,000
- (11) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070)..... -1,499,000

Provisions:

- 2. Of the funds appropriated in this item, \$25,000,000 shall be available for grants to public agencies to purchase low-polluting construction equipment if the Transportation and Air Quality Bond is passed by the voters at the November 4, 2006, general election; otherwise, these funds are allocated for replacement of pre-1977 model-year school buses.
- 5. Of the funds appropriated pursuant to this item, \$6,500,000 shall be expended pursuant to Section 7 of Chapter 91 of the Statutes of 2005. Notwithstanding subdivision (a) of Section 1.80 of this act, these funds are available for expenditure until June 30, 2009.
- 6. \$25,000,000 shall be expended in the budget year pursuant to an expenditure plan jointly developed by the State Air Resources Board and the Energy Conservation Resources and Development Commission for all of the following purposes:
  - (a) Market-based incentives such as buydowns, rebates, credits, or other incentives for purchasers of high efficiency, high mileage, clean alternative fuel light, medium, and heavy duty vehicles, both individual and public fleet, in California.
  - (b) Production incentives such as loans, loan guarantees, and credits for clean alternative fuel production in California.
  - (c) Market-based incentives such as loans and loan guarantees for the construction of publicly accessible, clean alternative fuel refueling stations, including refueling stations that sell ethanol blends consisting of at least 85

percent ethanol (“E-85”), sufficient in number to match the existing and anticipated supply of E-85 vehicles in California.	
(d) Grants for research and development of clean and zero emission fuels and vehicle technology to assist in making those technologies affordable in the marketplace.	
(e) Incentives to replace the current state vehicle fleet with clean, high mileage alternative fuel vehicles.	
7. None of the funds appropriated pursuant to Provision 6 shall be used for incentives, grants, or any other form of state support for the development of fuels derived from petroleum, petroleum coke, or coal.	
8. In approving the funding and positions pursuant to this item, it is the intent of the Legislature to ensure that the specific measures to reduce air pollution and greenhouse gas emissions be undertaken and completed by the State Air Resources Board in the fiscal year. Accordingly, the board shall submit quarterly reports on the expenditure of these funds, and the status of the development and adoption of the measures.	
3900-001-0115—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Pollution Control Fund.....	128,133,000
Provisions:	
1. Of the amount available in this item, \$1,100,000 shall be available for the purchase of a portable emissions measurement system and to fund contracts to develop a particulate matter accuracy margin for use with that equipment, after the Air Resources Board confirms to the Department of Finance that a site suitable for the equipment has been secured.	
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.....	12,530,000
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.....	862,000
3900-001-0890—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Federal Trust Fund.....	12,892,000



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 permeates to the local air quality management and air pollution control districts.	
3900-301-0115—For capital outlay, State Air Resources Board, payable from the Air Pollution Control Fund.....	1,120,000
Schedule:	
(1) 40.10.002—Haagen-Smit Laboratory Seismic Retrofit—Working drawings and construction.....	1,120,000
3900-490—Reappropriation, Air Resources Board. 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 through June 30, 2008:	
0044—Motor Vehicle Account	
(1) Chapter 91, Statutes of 2005	
3900-495—Reversion, State Air Resources Board. As of June 30, 2006, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.	
0001—General Fund	
(1) Chapter 1072, Statutes of 2000	
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.....	141,000
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.....	4,592,000

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 2006–07 fiscal year.

3910-001-0193—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Waste Discharge Permit Fund..... 200,000

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..... 21,166,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding Section 42889 of the Public Resources Code, expenditures for administration of the Tire Recycling Program may exceed the limits set forth in subdivisions (a) and (b) of Section 42889 of the Public Resources Code.

3910-001-0281—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund..... 934,000

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..... 548,000

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..... 42,869,000

Schedule:

- (1) 11-Waste Reduction and Management..... 85,537,000

(2)	30.01-Administration.....	8,874,000
(3)	30.02-Distributed Administration....	-8,874,000
(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).....	-141,000
(6)	Amount payable from the Califor- nia Used Oil Recycling Fund (Item 3910-001-0100).....	-4,592,000
(7)	Amount payable from the Califor- nia Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Re- sources Code).....	-554,000
(8)	Amount payable from the Califor- nia Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Re- sources Code).....	-3,300,000
(9)	Amount payable from the Waste Discharge Permit Fund (Item 3910- 001-0193).....	-200,000
(10)	Amount payable from the Califor- nia Tire Recycling Management Fund (Item 3910-001-0226).....	-21,166,000
(11)	Amount payable from the Recy- cling Market Development Revolv- ing Loan Account, Integrated Waste Management Fund (Item 3910-001-0281).....	-934,000
(12)	Amount payable from the Solid Waste Disposal Site Cleanup Trust Fund (Item 3910-001-0386).....	-548,000
(13)	Amount payable from the Integrat- ed 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).....	-1,083,000
(15)	Amount payable from the Rigid Container Account (Item 3910-001- 3024).....	-162,000

(16) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 3910-001-3065).... -9,141,000

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 this appropriation, an amount not to exceed \$1,000,000 may be awarded in the form of a grant for demonstration projects that convert landfill gas to liquefied natural gas (LNG) for use as a clean transportation fuel, provided that the demonstration project meets all the following conditions:
  - (a) The project shall produce at least 10,000 gallons of LNG per day.
  - (b) The project shall utilize landfill gas that is currently flared.
  - (c) The project shall have obtained all applicable land use permits before award of the grant.

The grant amount shall not exceed 15 percent of the total project cost.

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..... 1,083,000

Provisions:

1. Notwithstanding Section 48100 of the Public Resources Code, expenditures for administration of the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program may exceed the limits set forth in paragraph (3)(A) of subdivision (c) of Section 48100 of the Public Resources Code.

3910-001-3024—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Rigid Container Account..... 162,000

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.....	9,141,000
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.....	(226,000)
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.....	(400,000)
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 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.....	17,300,000

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..... 42,902,000

Schedule:

- (1) 10-Pesticide Programs..... 46,351,000
- (2) 20.01-Administration..... 8,941,000
- (3) 20.02-Distributed Administration.... -8,941,000
- (4) Reimbursements..... -479,000
- (5) Amount payable from the California Environmental License Plate Fund (Item 3930-001-0140)..... -457,000
- (6) Amount payable from the Food Safety Account (Item 3930-001-0224)..... -311,000
- (7) Amount payable from the Federal Trust Fund (Item 3930-001-0890).... -2,202,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

3930-001-0140—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the California Environmental License Plate Fund..... 457,000

3930-001-0224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the Food Safety Account..... 311,000

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..... 2,202,000

Item

Amount

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.....	(293,000)
3940-001-0001—For support of State Water Resources Control Board.....	28,982,000
Schedule:	
(1) 10-Water Quality.....	435,962,000
(2) 20-Water Rights.....	13,288,000
(3) 30.01-Administration.....	17,222,000
(4) 30.02-Distributed Administration.....	-17,222,000
(5) Reimbursements.....	-9,999,000
(6) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-522,000
(7) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193).....	-69,614,000
(8) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-79,000
(9) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235).....	-2,202,000
(10) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387).....	-5,649,000
(11) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417).....	-538,000
(12) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419).....	-153,000
(13) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422).....	-515,000
(14) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424).....	-39,000
(15) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436).....	-63,000

(16)	Amount payable from the Under-ground Storage Tank Cleanup Fund (Item 3940-001-0439).....	-272,237,000
(17)	Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482).....	-198,000
(18)	Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740).....	-321,000
(19)	Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	-35,036,000
(20)	Amount payable from the Water Rights Fund (Item 3940-001-3058).....	-12,990,000
(21)	Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013).....	-1,069,000
(22)	Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016).....	-1,062,000
(23)	Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-47,000
(24)	Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-001-6019).....	-1,238,000
(25)	Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020).....	-81,000
(26)	Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021).....	-23,000
(27)	Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022).....	-1,076,000
(28)	Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031).....	-4,620,000
(29)	Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026).....	-897,000



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.
2. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.
3. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification 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 joint committee, or his or her designee, may in each instance determine.

3940-001-0028—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Unified Program Account.....	522,000
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.....	69,614,000
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.....	79,000

Item	Amount
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.....	2,202,000
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.....	5,649,000
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
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.....	272,237,000
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.....	35,036,000

Item	Amount
3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund.....	12,990,000
3940-001-6013—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Watershed Protection Subaccount.....	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 Subaccount.....	1,062,000
3940-001-6017—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Lake Elsinore and San Jacinto Watershed Subaccount.....	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 Grant Subaccount.....	23,000
3940-001-6022—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Coastal 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....	4,620,000
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.....	897,000
3940-101-0001—For local assistance, State Water Resources Control Board.....	0
Schedule:	
(1) 10-Water Quality.....	68,123,000
(2) Amount payable from the Water Recycling Subaccount (Item 3940-101-0419).....	-7,000,000

(3) Amount payable from the Watershed Protection Subaccount (Item 3940-101-6013).....	-2,990,000	
(4) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-101-6019).....	-4,772,000	
(5) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-101-6022).....	-1,492,000	
(6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-101-6031).....	-40,369,000	
(7) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-101-8026).....	-11,500,000	
3940-101-0419—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Water Recycling Subaccount, to be available for expenditure until June 30, 2009.....		7,000,000
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, 2009.....		2,990,000
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, 2009.....		4,772,000
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, 2009.....		1,492,000
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.....		40,369,000
Provisions:		
1. Notwithstanding any other provision of law, the amount appropriated in this item shall be available for expenditure until June 30, 2009, and		

may be used to provide grants to local, state, federal, and private entities for projects.

3940-101-8026—For 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

3940-115-0439—For transfer by the Controller from the Underground Storage Tank Cleanup Fund to the Water Rights Fund..... (2,900,000)

Provisions:

1. The loan appropriated in this item shall be fully repaid to the Underground Storage Tank Cleanup Fund by June 30, 2011. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

3940-495—Reversion, State Water Resources Control Board. As of June 30, 2006, the balances specified below, of the appropriations provided in the following citations shall revert to the balance in the fund from which the appropriations were made.

6013—Watershed Protection Subaccount

- (1) \$227,714 from Item 3940-101-6013, Budget Act of 2002 (Ch. 379, Stats. 2002)

6019—Nonpoint Source Pollution Control Subaccount

- (2) \$876,719 from Item 3940-101-6019, Budget Act of 2002 (Ch. 379, Stats. 2002)

6022—Nonpoint Source Control Subaccount

- (3) \$617,446 from Item 3940-101-6022, Budget Act of 2002 (Ch. 379, Stats. 2002)

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (4) \$9,418,262 from Item 3940-101-6031, Budget Act of 2003 (Ch. 157, Stats. 2003)

3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014..... 22,689,000

Provisions:

1. The Director of Toxic Substances Control may expend from this item: (a) \$9,093,000 for the following activities at the Stringfellow Federal Superfund site: (1) operation and maintenance of pretreatment plants to treat contaminated groundwater extracted from the site, (2) site maintenance and groundwater monitoring, and (3) implementation of work to stabilize the site,

- and (b) \$6,562,000 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 \$5,475,000 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, 2007, or earlier, any unspent funds in Provision 4 shall revert to the General Fund if the Director of Toxic Substances Control and the Director of Finance agree that sufficient funds have been provided by the other potentially responsible parties.
  6. The Director 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.

3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account..... 49,725,000

Schedule:

- (1) 12-Site Mitigation and Brownfields Reuse..... 80,303,000
- (2) 13-Hazardous Waste Management..... 64,181,000
- (3) 19.01-Administration..... 30,464,000
- (4) 19.02-Distributed Administration..... -30,464,000
- (5) 20-Science, Pollution Prevention and Technology..... 10,148,000
- (6) 21-State as Certified Unified Program..... 1,156,000
- (7) Reimbursements..... -10,136,000
- (8) Amount payable from General Fund (Item 3960-001-0001)..... -22,689,000
- (9) Amount payable from Unified Program Account (Item 3960-001-0028)..... -986,000
- (10) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065)..... -2,034,000
- (11) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100)..... -359,000
- (12) Amount payable from Toxic Substances Control Account (Item 3960-001-0557)..... -39,537,000
- (13) Amount payable from Federal Trust Fund (Item 3960-001-0890)..... -26,258,000
- (14) Amount payable from Environmental Quality Assessment Fund (Item 3960-001-3035)..... -681,000
- (15) Amount payable from Electronic Waste Recovery and Recycling Account (Item 3960-001-3065).... -2,227,000
- (16) Amount payable from State Certified Unified Program Agency Account (Item 3960-001-3084)..... -1,156,000

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 spe-

cial 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.

- 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.....	8,317,000
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Schedule:

(1) 12-Site Mitigation and Brownfields Reuse.....	8,317,000
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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.
- 2. The Director of the Department of Toxic Substances Control shall report, in writing, not later than 180 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 1.80 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....	986,000
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Amount

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.....	2,034,000
3960-001-0100—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the California Used Oil Recycling Fund.....	359,000
3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund.....	2,608,000
Schedule:	
(1) 12-Site Mitigation and Brownfields	
Reuse.....	2,608,000
Provisions:	
1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, and approval by the Department of Finance, the Controller shall augment the appropriation in this item to pay costs associated with orphan shares at sites selected for the Expedited Site Remediation Pilot Program from any uncommitted funds in the Expedited Site Remediation Trust Fund.	
2. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
3960-001-0557—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Toxic Substances Control Account.....	39,537,000
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.....	26,258,000
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.....	681,000
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.....	2,227,000
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.....	1,156,000
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 suf-	

ficient 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.

- 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:

- 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..... (495,000)

Provisions:

- 1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer funds from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund, pursuant to Chapter 6.85 (commencing with Section 25396) of Division 20 of the Health and Safety Code. The amount of the funds transferred shall not exceed the proceeds of fines and penalties deposited in the Toxic Substances Control Account in the 2006–07 fiscal year, exclusive of the fines and penalties transferred to the Hazardous Substance Account pursuant to Section 25192 of the Health and Safety Code

for expenditure in accordance with Section 25385.9 of the Health and Safety Code.	
2. The amount specified in this item is an estimate of the funds available from the proceeds of fines and penalties described in Provision 1, and does not represent a limit on the funds that may be transferred.	
3. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
3960-011-1003—For transfer by the Controller from the Cleanup Loans and Environmental Assistance to Neighborhoods Account to the Toxic Substances Control Account.....	(424,000)
Provisions:	
1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer up to \$424,000 to the Toxic Substances Control Account based on actual costs incurred by the department for its oversight of Cleanup Loans and Environmental Assistance to Neighborhoods loan projects, provided that sufficient funds are available for those purposes.	
3960-012-0557—For transfer by the Controller from the Toxic Substances Control Account to the Site Remediation Account.....	(8,092,000)
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, 2007:	
0001—General Fund	
(1) \$450,000 from Item 3960-001-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 3960-490, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3960-490, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(2) \$450,000 from Item 3960-001-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3960-490, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3960-490, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(3) \$920,000 from Item 3960-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated	

by Item 3960-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

- (4) \$1,080,000 from Item 3960-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3960-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) \$1,063,000 from Item 3960-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
  - (1) 12.18.STF-Stringfellow Pretreatment Plant Site—Preliminary plans

Provisions:

- 1. Notwithstanding any other provision of law, a total in Schedules (1), (2), (3), and (4) of \$2,900,000 from the unencumbered balances of the Budget Act appropriations cited above are reappropriated to capital outlay for the purpose of site acquisition and preparing preliminary plans for the construction of a new pretreatment plant at the Stringfellow Federal Superfund site and shall be available for encumbrance or expenditure until June 30, 2007. This reappropriation is consistent with the remediation efforts authorized in the original appropriation.
- 2. Notwithstanding any other provision of law, the Department of Toxic Substances Control, with the approval of the State Public Works Board, 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.....	8,377,000
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Schedule:

- |   |            |
|---|------------|
| (1) 10-Health Risk Assessment.....  | 16,385,000 |
| (2) Reimbursements.....   | -1,705,000 |
| (3) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3980-001-0044).... | -2,483,000 |

(4) Amount payable from the California Used Oil Recycling Fund (Item 3980-001-0100).....	-572,000	
(5) Amount payable from the Department of Pesticide Regulation Fund (Item 3980-001-0106).....	-896,000	
(6) Amount payable from the California Environmental License Plate Fund (Item 3980-001-0140).....	-839,000	
(7) Amount payable from the Integrated Waste Management Account (Item 3980-001-0387).....	-352,000	
(8) Amount payable from the Federal Trust Fund (Item 3980-001-0890)....	-500,000	
(9) Amount payable from the Safe Drinking Water and Toxic Enforcement Fund (Item 3980-001-3056)....	-661,000	
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.....		2,483,000
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.....		572,000
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.....		896,000
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.....		839,000
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.....		352,000
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.....		661,000

HEALTH AND HUMAN SERVICES

4100-001-0890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund.....	7,047,000
Schedule:	
(1) 10-State Council Planning and Administration.....	1,669,000
(2) 20-Community Program Development.....	1,987,000
(3) 40-Regional Offices and Local Area Boards.....	9,841,000
(4) Reimbursements.....	-6,450,000
4100-490—Reappropriation, State Council on Developmental Disabilities. The unencumbered balance of the appropriation provided in the following citation is reappropriated pursuant to Provision 1 and shall be available for encumbrance or expenditure until June 30, 2007.	
0890—Federal Trust Fund	
(1) Item 4100-001-0890, Budget Act of 2005 (Ch. 38, Stats. 2005)	
Provisions:	
1. The funds reappropriated by this provision shall be available 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 implementation of any portion of the state plan as approved by the council.	
4120-001-0001—For support of Emergency Medical Services Authority.....	19,291,000
Schedule:	
(1) 10-Emergency Medical Services Authority.....	28,783,000
(2) Reimbursements.....	-6,000,000
(3) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001-0194).....	-377,000

(4) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	-1,431,000	
(5) Amount payable from the Federal Trust Fund (Item 4120-001-0890)....	-1,684,000	
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.....		377,000
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.....		1,431,000
4120-001-0890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Federal Trust Fund.....		1,684,000
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 ensure 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, 2004, shall receive the full amount for which it is eligible if it provides a cash match of \$0.41 per capita or more. Failure to provide local cash contributions at the specified level shall result in a proportional reduction in state funding.

4120-101-0890—For local assistance, Emergency Medical Services Authority, Program 10, for payment to Item 4120-101-0001, payable from the Federal Trust Fund..... 1,004,000

4140-001-0001—For support of Office of Statewide Health Planning and Development..... 398,000

Schedule:

- (1) 10-Health Care Quality and Analysis..... 6,039,000
- (2) 30-Health Care Workforce..... 8,058,000
- (3) 42-Facilities Development..... 35,371,000
- (4) 45-Cal-Mortgage Loan Insurance.... 4,590,000
- (5) 60-Health Care Information..... 8,808,000
- (6) 80.01-Administration..... 10,980,000
- (7) 80.02-Distributed Administration..... -10,492,000
- (8) Reimbursements..... -1,149,000
- (9) Amount payable from the Hospital Building Fund (Item 4140-001-0121)..... -35,071,000
- (10) Amount payable from the California Health Data and Planning Fund (Item 4140-001-0143)..... -16,669,000
- (11) Amount payable from the Registered Nurse Education Fund (Item 4140-001-0181)..... -1,510,000

(12) Amount payable from the Federal Trust Fund (Item 4140-001-0890).....	-235,000	
(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).....	-137,000	
(15) Amount payable from the Medical-ly Underserved Account for Physi- cians, Health Professions Education Fund (Section 128555, Health and Safety Code).....	-1,939,000	
(16) Amount payable from the Health Facilities Construction Loan Insur- ance Fund (Section 129200, Health and Safety Code).....	-4,590,000	
(17) Amount payable from the Health Professions Education Fund (Sec- tion 128355, Health and Safety Code).....	-1,443,000	
4140-001-0121—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Hospital Building Fund.....		35,071,000
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 neces- sity 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 deter- mine.		
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.....		16,669,000

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.....	1,510,000
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.....	235,000
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.....	137,000
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
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Schedule:

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|-------------------------------------|---------|
| (1) 60-Health Care Information..... | 102,000 |
|-------------------------------------|---------|

Provisions:

1. The funding appropriated in this item is limited to the amount specified in 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 Statewide Health Planning and Development..... 4,690,000

Schedule:

- (1) 30-Health Care Workforce..... 8,319,000
- (2) Reimbursements..... -400,000
- (3) Amount payable from California Health Data and Planning Fund (Item 4140-101-0143)..... -2,229,000
- (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 2007–08, 2008–09, and 2009–10 fiscal years.

4140-101-0143—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-0001, payable from the California Health Data and Planning Fund..... 2,229,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools, or programs that train primary care physicians' assistants or primary care nurse practitioners, as well as con-

tracts 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 2007–08, 2008–09, and 2009–10 fiscal years.

4140-101-0890—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-0001, payable from the Federal Trust Fund..... 1,000,000

4170-001-0001—For support of Department of Aging... Schedule: 4,096,000

- (1) 10-Nutrition..... 2,819,000
- (2) 20-Senior Community Employment Service..... 655,000
- (3) 30-Supportive Services and Centers..... 5,237,000
- (4) 40-Special Projects..... 7,722,000
- (5) 50.01-Administration..... 14,081,000
- (6) 50.02-Distributed Administration..... -14,081,000
- (7) Reimbursements..... -3,922,000
- (8) Amount payable from the State HICAP Fund (Item 4170-001-0289)..... -208,000
- (9) Amount payable from the Federal Trust Fund (Item 4170-001-0890).... -8,077,000
- (10) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-003-0942)..... -130,000

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.

4170-001-0289—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the State HICAP Fund.....	208,000
4170-001-0890—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Trust Fund.....	8,077,000
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.....	130,000
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 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.....	56,710,000
Schedule:	
(1) 10-Nutrition.....	73,373,000
(2) 20-Senior Community Employment Service.....	9,149,000
(3) 30-Supportive Services and Centers.....	71,451,000
(4) 40-Special Projects.....	49,524,000

- (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. Notwithstanding Section 26.00, the Department of Finance, upon notification by the California Department of Aging, may authorize transfers between Program 10-Nutrition and Program 30-Supportive Services and Centers in response to budget revisions submitted by the Area Agencies on Aging.
- 2. To the extent the United States enacts a minimum wage equal to or greater than that of California, state funding provided in this item for the Senior Community Service Employment Program shall revert to the General Fund.
- 3. Of the funds appropriated in this item, the Controller shall reimburse from Program 40-Special Projects, \$25,258,000 upon enactment of the Budget Act to the State Department of Health Services for support of the Multipurpose Senior Services Program.

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, the Department of Finance, upon notification by the California Department of Aging, may authorize augmentations in this item for budget revisions submitted by the Area Agencies on Aging for federal Title III and Title VII one-time-only allocations.

3. Notwithstanding Section 26.00, the Department of Finance, upon notification by the Department of Aging, may authorize transfers between Program 10-Nutrition and Program 30-Supportive Services and Centers in response to budget revisions submitted by the Area Agencies on Aging.	
4170-103-0942—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Citation Penalties Account, Special Deposit Fund.....	1,442,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be allocated by the Department of Aging to each local ombudsman program in accordance with a formula calculated on the number of beds in licensed skilled nursing home facilities in each program's area of service in proportion to the total number of beds in licensed skilled nursing homes in the state.	
4180-002-0886—For support of Commission on Aging, payable from the California Seniors Special Fund....	53,000
Provisions:	
1. Pursuant to Section 18773 of the Revenue and Taxation Code, the balance of this item as well as the balance of prior year appropriations from the California Seniors Special Fund may be carried over and expended in any following fiscal year.	
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures from the California Seniors Special Fund for the Commission on Aging in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4180-002-0890—For support of Commission on Aging, payable from the Federal Trust Fund.....	340,000
4185-001-0983—For support of California Senior Legislature, payable from the California Fund for Senior Citizens.....	291,000



Provisions:

1. Funds appropriated in this item from the California Fund for Senior Citizens shall be allocated by the California Senior Legislature 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 California Senior Legislature 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.

4200-001-0001—For support of Department of Alcohol and Drug Programs.....	15,275,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	54,282,000
(2) 30.01-Administration.....	11,228,000
(3) 30.02-Distributed Administration.....	-11,228,000
(4) Reimbursements.....	-4,777,000
(5) Amount payable from the Driving-Under-the-Influence Program Licensing Trust Fund (Item 4200-001-0139).....	-1,815,000
(6) Amount payable from the Narcotic Treatment Program Licensing Trust Fund (Item 4200-001-0243).....	-1,124,000
(7) Amount payable from Indian Gaming Special Distribution Fund (Item 4200-001-0367).....	-3,044,000
(8) Amount payable from the Audit Repayment Trust Fund (Item 4200-001-0816).....	-67,000
(9) Amount payable from the Federal Trust Fund (Item 4200-001-0890).....	-24,444,000

- (10) Amount payable from the Substance Abuse Treatment Trust Fund (Item 4200-001-3019)..... -3,486,000
- (11) Amount payable from the Mental Health Services Fund (Item 4200-001-3085)..... -250,000

Provisions:

- 1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-101-0001 to properly implement the Methamphetamine Prevention Campaign. Any transfer made pursuant to this provision shall occur 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 Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
  - 2. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-101-0001 to properly implement the Substance Abuse Offender Treatment Program. Any transfer made pursuant to this provision shall occur 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 Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
- 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..... 1,815,000
- Provisions:
- 1. Notwithstanding any other provision of law, the Department 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 joint 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..... 1,124,000

- Provisions:
1. Notwithstanding any other provision of law, the Department of Finance may augment this item 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.

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..... 3,044,000

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..... 24,444,000

- 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 department shall assess those programs and operations that have the most critical need. In making this assessment, the department 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.....	3,486,000
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.	
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.....	250,000
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.....	832,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	1,793,000
(2) Reimbursements.....	-961,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in 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.....	60,143,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	439,336,000
(2) Reimbursements.....	-18,395,000
(3) Amount payable from the Federal Trust Fund (Item 4200-101-0890).....	-244,140,000
(4) Amount payable from the Resident-Run Housing Revolving Fund (Item 4200-101-0977).....	-144,000

(5) Amount payable from the Substance Abuse Treatment Fund (Item 4200-101-3019)..... -116,514,000

Provisions:

1. Upon approval by the Department 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 department shall assess those programs and operations that have the most critical need. In making this assessment, the department 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. Each loan shall be repaid, with interest calculated pursuant to subdivision (a) of Section 16314 of the Government Code, upon receipt of the federal SAPT Block Grant.
3. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001 to properly implement the Methamphetamine Prevention Campaign. Any transfer made pursuant to this provision shall occur 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 Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
4. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001 to properly implement the Substance Abuse Offender Treatment Program. Any transfer made pur-

suant to this provision shall occur 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 Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

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..... 244,140,000

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 department shall assess those programs and operations that have the most critical need. In making this assessment, the department 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 Department of Finance may augment this item 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.

4200-101-3019—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-0001, payable from the Substance Abuse Treatment Fund..... 116,514,000  
Provisions:

- 1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for local assistance pursuant to Section 11999.6 of the Health and Safety Code.

4200-102-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs (Drug Medi-Cal)..... 3,317,000  
Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 6,634,000
- (2) Reimbursements..... -3,317,000

Provisions:

- 1. Upon approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-001-0001, 4200-101-0001, 4200-103-0001, and 4200-104-0001. In determining which transfers are necessary pursuant to this provision, the department shall assess those programs and operations that have the most critical need. In making this assessment, the department 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 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 1.80 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 Department 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.

- 5. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, \$1,000 from the General Fund, and corresponding reimbursements, are for the purpose of augmenting Drug Medi-Cal rates above the rates that were authorized in regulation for the 2005–06 fiscal year. The department shall establish increases in maximum Drug Medi-Cal reimbursement rates during the 2006–07 fiscal year to reflect the General Fund moneys and reimbursements specified in this item.

4200-103-0001—For local assistance, Department of Alcohol and Drug Programs, Drug Medi-Cal Services..... 66,590,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 127,062,000
- (2) Reimbursements..... -60,472,000

Provisions:

- 1. Upon approval by the Department 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 department shall assess those programs and operations that have the most critical need. In making this assessment, the department 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 1.80 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 ex-



ceed the amount encumbered in prior fiscal years. The Department 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.
- 6. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, \$1,000 from the General Fund and corresponding reimbursements are for the purpose of augmenting Drug Medi-Cal rates above the rates that were authorized in regulation for the 2005–06 fiscal year. The department shall establish increases in maximum Drug Medi-Cal reimbursement rates during the 2006–07 fiscal year to reflect the General Fund and reimbursement moneys specified in this item.

4200-104-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs..... 23,457,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 40,511,000
- (2) Amount payable from the Federal Trust Fund (Item 4200-104-0890)..... -17,054,000

Provisions:

- 1. Upon approval by the Department 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 department shall assess those programs and operations that have the most critical need. In making

this assessment, the department 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. 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, 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.
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.

4200-104-0890—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-104-0001, payable from the Federal Trust Fund.....	17,054,000
4200-105-0001—For transfer, as an expenditure, by the Controller to the Substance Abuse Treatment Trust Fund.....	120,000,000
4260-001-0001—For support of Department of Health Services.....	212,925,500

Schedule:

- (1) 10-Public and Environmental Health..... 325,444,000
- (2) 20-Health Care Services..... 663,844,000
- (3) 30.01-Administration..... 54,372,000
- (4) 30.02-Distributed Administration..... -51,890,000
- (5) Reimbursements..... -39,300,000

- (6) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007)..... -1,464,000
- (7) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009)..... -8,098,000
- (8) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029)..... -813,000
- (9) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044).... -1,249,000
- (10) Amount payable from the Sale of Tobacco to Minors Control Account (Item 4260-001-0066)..... -2,300,000
- (11) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4260-001-0070).... -2,750,000
- (12) Amount payable from the Medical Waste Management Fund (Item 4260-001-0074)..... -1,943,000
- (13) Amount payable from the Radiation Control Fund (Item 4260-001-0075)..... -19,820,000
- (14) Amount payable from the Tissue Bank License Fund (Item 4260-001-0076)..... -282,000
- (15) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080)..... -9,135,000
- (16) Amount payable from the Export Document Program Fund (Item 4260-001-0082)..... -387,000
- (17) Amount payable from the Clinical Laboratory Improvement Fund (Item 4260-001-0098)..... -5,134,000
- (18) Amount payable from the Health Statistics Special Fund (Item 4260-001-0099)..... -26,837,000
- (19) Amount payable from the Wine Safety Fund (Item 4260-001-0116)..... -56,000
- (20) Amount payable from the Water Device Certification Special Account (Item 4260-001-0129)..... -208,000

(21) Amount payable from the Food Safety Fund (Item 4260-001-0177).....	-5,793,000
(22) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-0179).....	-2,975,000
(23) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-0203).....	-92,871,000
(24) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231).....	-8,281,000
(25) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0234).....	-5,372,000
(26) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236).....	-4,578,000
(27) Amount payable from the Drinking Water Operator Certification Special Account (Item 4260-001-0247).....	-1,317,000
(28) Amount payable from the Nursing Home Administrator's State License Examining Fund (Item 4260-001-0260).....	-491,000
(29) Amount payable from the Infant Botulism Treatment and Prevention Fund (Item 4260-001-0272).....	-3,053,000
(30) Amount payable from the Safe Drinking Water Account (Item 4260-001-0306).....	-10,162,000
(31) Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-0335).....	-269,000
(32) Amount payable from the Mosquitoborne Disease Surveillance Account (Item 4260-001-0478).....	-45,000
(33) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-001-0622).....	-637,000

(34) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-001-0642).....	-852,000
(35) Amount payable from the California Alzheimer’s Disease and Related Disorders Research Fund (Item 4260-001-0823).....	-888,000
(36) Amount payable from the Federal Trust Fund (Item 4260-001-0890).....	-447,328,500
(37) Amount payable from the Drug and Device Safety Fund (Item 4260-001-3018).....	-3,178,000
(38) Amount payable from the Medical Marijuana Program Fund (Item 4260-001-3074).....	-855,000
(39) Amount payable from the Cannery Inspection Fund (Item 4260-001-3081).....	-1,590,000
(40) Amount payable from the Mental Health Services Fund (Item 4260-001-3085).....	-493,000
(41) Amount payable from the Licensing and Certification Fund (Item 4260-001-3098).....	-64,886,000
(42) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-001-6031).....	-2,972,000
(43) Amount payable from California Prostate Cancer Research Fund (Item 4260-001-8025).....	-182,000

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 2006–07 fiscal year, the estimated revenues would be sufficient to offset at least 95 percent of the approved program level intended to be supported by those fees. The General Fund fees of the State Department of Health Services (DHS) that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code shall be increased by 7.76 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 7.76 percent only if the fund condition statement for a fund projects a reserve less than 10 percent of estimated expenditures and the revenues projected for the 2006–07 fiscal year are less than the appropriation contained in this act.
2. 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 be increased by 22.50 percent, effective July 1, 2006.
  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. The State Department of Health Services shall report annually in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the 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, no funds may be expended on a project prior to approval of a feasibility study report concerning that project by the Department 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 Department of Finance, and shall include with the notification a copy of the approved feasibility study report that reflects the Department of Finance's changes.

7. It is the intent of the Legislature that all clinical positions within the Licensing and Certification Division, including medical, nursing, and pharmacy positions, that conduct core functions associated with surveys, field investigations, quality assurance, pharmaceutical monitoring, and related activities be exempt from any unallocated reductions undertaken by the department. The purpose of this language is to assist in ensuring the health and safety of Californians who receive services in various types of facilities that are licensed or certified by the department.

9. The State Department of Health Services shall provide the fiscal and appropriate policy committees of the Legislature with a plan for hiring positions in the Licensing and Certification Division as adopted in the Budget Act of 2006. This plan shall be provided no later than October 1, 2006, and, at a minimum, shall contain all of the following: (a) a schedule for hiring new personnel that specifies their field offices, (b) methods for recruitment of employees for field offices, (c) a description of training for new personnel, (d) methods for retaining new personnel as well as existing employees in the field offices; and (e) any other information the department chooses to provide to depict its commitment to maintaining a well-trained, viable workforce in the field offices.

4260-001-0007—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Research Account....	1,464,000
4260-001-0009—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Control Account....	8,098,000
4260-001-0029—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Nuclear Planning Assessment Special Account.....	813,000

Item	Amount
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.....	1,249,000
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.....	2,300,000
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.	
4260-001-0070—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Occupational Lead Poisoning Prevention Account.....	2,750,000
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.....	1,943,000
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.....	19,820,000
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.....	282,000
4260-001-0080—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Childhood Lead Poisoning Prevention Fund.....	9,135,000



4260-001-0082—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Export Document Program Fund....	387,000
4260-001-0098—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Clinical Laboratory Improvement Fund.....	5,134,000
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.....	26,837,000
Provisions:	
1. Funding in this appropriation for the Vital Records Image Reduction and Statewide Access Project (VRIRSA) and the related computerization of vital records is provided on the following basis:	
(a) The Department of Health Sciences (DHS), in collaboration with the Department of Finance (DOF) and the Department of Technology Services (DTS), shall prepare a revised analysis to determine the most appropriate and cost-effective location for the production and backup services for the VRIRSA Project and the related computerization of records project.	
(b) To assist in this effort, DTS shall estimate an interim rate to be charged for its support of VRIRSA infrastructure requirements.	
(c) Based on this information, DOF shall recommend an appropriate infrastructure implementation approach that is based on the project’s cost, support and security needs, and that is in line with the state’s data infrastructure consolidation goals.	
(d) Within 30 days of its completion, DOF shall submit the revised analysis to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of both houses of the Legislature.	
4260-001-0116—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Wine Safety Fund.....	56,000

Item Amount

4260-001-0129—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water Device Certification Special Account.....	208,000
4260-001-0177—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Food Safety Fund.....	5,793,000
4260-001-0179—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Environmental Laboratory Improvement Fund.....	2,975,000
4260-001-0203—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Genetic Disease Testing Fund.....	92,871,000
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.....	8,281,000
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.....	5,372,000
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.....	4,578,000
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.....	1,317,000
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.....	491,000
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.....	3,053,000
4260-001-0306—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Safe Drinking Water Account.....	10,162,000

- Provisions:
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

Item

Amount

4260-001-0335—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Registered Environmental Health Specialist Fund.....	269,000
4260-001-0478—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Vectorborne Disease Account.....	45,000
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.....	637,000
4260-001-0642—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Domestic Violence Training and Education Fund.....	852,000
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.....	888,000
4260-001-0890—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund.....	447,328,500

## Provisions:

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 expenditure authority from this item to Item 4260-111-0890 in order to reflect modifications in the use of federal bioterrorism grants. Transfers pursuant to this provision 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, federal moneys made available for bioterrorism preparedness pursuant to this act shall be available for expenditure and encumbrance until August 30, 2007.
5. The State 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 Prevention'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 State Department of Health Services shall notify the fiscal and relevant policy committees of the Legislature in a similar manner.

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..... 3,178,000

4260-001-3074—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Medical Marijuana Program Fund..... 855,000

4260-001-3081—For support of the Department of Health Services, for payment to Item 4260-001-0001, payable from the Cannery Inspection Fund..... 1,590,000

4260-001-3085—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Mental Health Services Fund..... 493,000

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.

4260-001-3098—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Licensing and Certification Fund.... 64,886,000

4260-001-6031—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	2,972,000
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.	
4260-001-8025—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the California Prostate Cancer Research Fund.....	182,000
4260-002-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Health Facilities Citation Penalties Account.....	5,009,000
4260-003-0001—For support of Department of Health Services, for rental payments on lease-revenue bonds (Richmond Laboratory).....	12,117,000
Schedule:	
(1) Base Rental and Fees.....	12,078,000
(2) Insurance.....	39,000
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.	
4260-003-0044—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Motor Vehicle Account, State Transportation Fund.....	563,000
Schedule:	
(1) Base Rental and Fees.....	561,000
(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..... 354,000

Schedule:

- (1) Base Rental and Fees..... 353,000
- (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 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.

4260-003-0098—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Clinical Laboratory Improvement Fund..... 147,000

Schedule:

- (1) Base Rental and Fees..... 147,000

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

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Amount

Joint Legislative Budget Committee pursuant to  
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..... 7,000

Schedule:

(1) Base Rental and Fees..... 7,000

Provisions:

1. The Controller shall transfer funds appropriated  
in this item according to a schedule to be provid-  
ed 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.

4260-003-0203—For support of Department of Health  
Services, for rental payments on lease-revenue  
bonds, payable from the Genetic Disease Testing  
Fund..... 4,261,000

Schedule:

(1) Base Rental and Fees..... 4,248,000

(2) Insurance..... 13,000

Provisions:

1. The Controller shall transfer funds appropriated  
in this item according to a schedule to be provid-  
ed 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.

4260-003-0890—For support of Department of Health  
Services, for rental payments on lease-revenue  
bonds, payable from the Federal Trust Fund..... 86,000

Schedule:

(1) Base Rental and Fees..... 86,000

Provisions:

1. The Controller shall transfer funds appropriated  
in this item according to a schedule to be provid-

ed 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.

4260-003-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Federal Citation Penalties Account.....	945,000
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4260-004-0001—For transfer to the Licensing and Certification Fund.....	16,377,000
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4260-004-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Local Education Agency Medi-Cal Recovery Account.....	1,589,000
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4260-007-0890—For support of Department of Health Services, payable from the Federal Trust Fund.....	16,698,000
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- Provisions:
  - 1. Notwithstanding Section 28.00 of this act, adjustments may be made to this item by the Department of Finance to align the federal funds for legislative actions and other technical adjustments affecting the recipient department’s appropriation authority.

4260-011-3020—For transfer by the Controller, from the Tobacco Settlement Fund, to the General Fund....	(1,118,000)
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4260-017-0001—For support of Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act.....	4,694,000
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- Schedule:
  - (1) 20-Health Care Services..... 15,711,000
  - (1.5) Reimbursements..... -322,000
  - (2) Amount payable from the Genetic Disease Testing Fund (Item 4260-017-0203)..... -524,000
  - (3) Amount payable from Federal Trust Fund (Item 4260-017-0890)..... -10,171,000

- Provisions:
  - 1. The funding appropriated in this item is limited to the amount specified in 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..... 524,000

Provisions:

- 1. The funding appropriated in this item is limited to the amount specified in 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..... 10,171,000

Provisions:

- 1. The funding appropriated in this item is limited to the amount specified in 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..... 13,432,571,000

Schedule:

- (1) 20.10.010-Eligibility (County Administration)..... 2,326,927,000
- (2) 20.10.020-Fiscal Intermediary Management..... 268,102,000
- (3) 20.10.030-Benefits (Medical Care and Services)..... 30,116,882,000
- (4) Reimbursements..... -37,095,000
- (5) Amount payable from Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080)..... -130,000
- (6) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0232)..... -18,000,000

- (7) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0236)..... -18,784,000
- (8) Amount payable from the Federal Trust Fund (Item 4260-101-0890)..... -19,199,830,000
- (9) Amount payable from Federal Trust Fund (Item 4260-103-0890)..... -5,501,000

Provisions:

- 1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2006–07 fiscal year pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be \$0.
- 2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any 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.
- 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.
- 4. Without regard to fiscal year, the General Fund shall make one or more loans available not to exceed a cumulative total of \$45,000,000 to be transferred as needed to the Health Care Deposit Fund to meet cash needs. The loans are subject to the repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of \$45,000,000 shall be processed in the manner prescribed by Section 16351 of the Government Code.

5. Notwithstanding any other provision of law, the State Department 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 State Department 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.
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 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 Department 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 the transfer of expenditure authority between Schedules (1), (2), (3), and (4) of this item and between this item and Items 4260-102-0001 and 4260-113-0001 in order to effectively administer the Medi-Cal program. The Department 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.
14. Notwithstanding any other provision of law and Section 26.00, the Department of Finance may authorize transfer of expenditure authority from Schedule (3) to Schedule (1) for the purposes of implementing changes required by the federal Deficit Reduction Act of 2005, which shall include, but not be limited to, providing assistance to individuals in meeting these verification rules and for county eligibility activities. It is the intent of the Legislature that these transfers be provided on a timely basis in order to ensure the health and safety of Californians. The Department of Finance shall notify the Legislature within 15 days of authorizing that 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.
16. (a) Of the amount appropriated in this item, \$9,349,000 is appropriated for Medi-Cal

managed care rate increases for plans that are experiencing financial hardship, as determined by the Department of Health Services and approved by the Department of Finance. Rate increases provided pursuant to this section may be retroactive to the beginning of a plan's 2006–07 rate year.

- (b) For purposes of determining if a plan will be eligible for additional funding, the Department of Health Services may assess the following criteria: (1) fiscal data available and reported as of June 2006 and the preceding eight quarters, (2) the sufficiency of the plan's financial reserves or tangible net equity to meet regulatory requirements, (3) the plan's medical loss ratio and administrative expense ratio, (4) whether the plan's financial situation is a result of business decisions to direct reserves to non-Medi-Cal related activities, and (5) an assessment of the health plan's management efficiency and cost containment activities.
- (c) The Department of Finance shall notify the Legislature 10 days prior to the approval of any contract amendment that includes rate adjustments pertaining to this provision.

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.....	130,000
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.....	18,000,000
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.....	18,784,000
4260-101-0890—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund.....	19,199,830,000

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.....	50,506,000
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 Department 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.....	50,506,000
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.....	5,501,000
Provisions:	
1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.	
4260-104-0001—For transfer to the Nondesignated Public Hospital Supplemental Fund.....	1,909,000
4260-105-0001—For transfer to the Private Hospital Supplemental Fund.....	118,871,000
4260-111-0001—For local assistance, Department of Health Services.....	570,157,000
Schedule:	
(1) 10.10.010-Vital Records Improvement Project.....	963,000
(2) 10.20.010-Environmental Management.....	271,429,000
(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.....	187,890,000
(6)	10.30.050-Communicable Disease Control.....	75,711,000
(7)	10.30.060-AIDS.....	311,552,000
(8)	20.30-County Health Services.....	57,956,000
(9)	20.40-Primary Care and Family Health.....	1,536,864,000
(10)	Reimbursements.....	-101,619,000
(11)	Amount payable from the Breast Cancer Control Account (Item 4260-111-0009).....	-8,736,000
(12)	Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	-11,024,000
(13)	Amount payable from the Health Statistics Special Fund (Item 4260-111-0099).....	-963,000
(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).....	-52,954,000
(16)	Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232).....	-44,377,000
(17)	Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	-5,564,000
(18)	Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236).....	-51,853,000
(19)	Amount payable from the Child Health and Safety Fund (Item 4260-111-0279).....	-975,000
(20)	Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-111-0622).....	-4,374,000
(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)..... -1,307,370,000
- (23) Amount payable from the WIC Manufacturer Rebate Fund (Item 4260-111-3023)..... -297,401,000
- (24) 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. Notwithstanding any other provision of law, 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.
3. Notwithstanding any other provision of law, and due to the need to rapidly acquire, stockpile, store, and distribute antiviral medication to respond to outbreaks of highly communicable diseases such as pandemic influenza, contracts for such purposes funded through this item shall not be subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.
4. (a) Of the amount appropriated in this item, the Department of Health Services 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. These funds shall not be used to supplant existing local vector control agency funds.

- (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.

4260-111-0009—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Breast Cancer Control Account....	8,736,000
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.....	11,024,000
4260-111-0099—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Health Statistics Special Fund.....	963,000
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.....	52,954,000
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.....	44,377,000
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.....	5,564,000

Item Amount

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..... 51,853,000

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..... 975,000

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..... 1,307,370,000

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, 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. Notwithstanding any other provision of law, federal moneys made available for bioterrorism preparedness pursuant to this act shall be available for expenditure and encumbrance until August 30, 2007.

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..... 297,401,000

Provisions:

2. Notwithstanding any other provision of law, if revenues to the WIC Manufacturer Rebate Fund are received in excess of the amount appropriated in this item, the Department of Finance may augment this item in excess of the amount appropriated not sooner than 30 days after written notification of the necessity to augment 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.

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)..... 166,287,000  
Schedule:

- (1) 20.10.010-Eligibility (County Administration)..... 14,881,000
- (2) 20.10.020-Fiscal Intermediary Management..... 188,000
- (3) 20.10.030-Benefits (Medical Care and Services)..... 422,563,000
- (4) Amount payable from the Federal Trust Fund (Item 4260-113-0890)..... -271,345,000

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 Department of Finance shall notify the Legislature within 10 days of authorizing such a transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.

4260-113-0890—For local assistance, Department of Health Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund..... 271,345,000  
Provisions:

- 1. Any of the provisions in Item 4260-113-0001 that are relevant to this item also apply to this item.

4260-115-0890—For transfer by the Controller from the Federal Trust Fund to the Safe Drinking Water State Revolving Loan Fund..... 77,500,000

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..... 17,000,000

4260-117-0001—For local assistance, Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act..... 6,829,000

Schedule:

(1) 20.10.010-Eligibility (County Administration)..... 5,540,000

(2) 20.10.020-Fiscal Intermediary Management..... 41,984,000

(4) Amount payable from the Federal Trust Fund (Item 4260-117-0890)..... -40,695,000

Provisions:

1. The funding appropriated in this item is limited to the amount specified in 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. Notwithstanding subdivision (a) of Section 1.80 and Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2). The Department 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.

4260-117-0890—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..... 40,695,000

Provisions:

1. The funding appropriated in this item is limited to the amount specified in 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.

4260-401—Approximately \$3,400,000 in General Fund moneys has been loaned to the State Department of Health Services, 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 United States Food and Drug Administration. In conjunction with payments from the Botulism Treatment and Prevention Fund beginning in the 2004–05 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, including interest payments, has been satisfied.

4260-491—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the balances of the appropriations specified 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, 2007, 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 available for expenditure during the 2006–07 fiscal year, subject to the other provisions for that appropriation.

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(1) Item 4260-111-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005). Funds appropriated in this item for the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 are available for expenditure during the 2006–07 fiscal year, subject to the other provisions of that appropriation.

(2) Item 4260-115-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005). Funds appropriated in this item for the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 are available for expenditure during the 2006–07 fiscal year, subject to the other provisions of that appropriation.

4270-001-0001—For support of California Medical Assistance Commission.....	1,362,000
Schedule:	
(1) 10-California Medical Assistance Commission.....	2,694,000
(2) Reimbursements.....	-1,332,000
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.	
4280-001-0001—For support of Managed Risk Medical Insurance Board.....	3,100,977
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	957,000
(2) 20-Access for Infants and Mothers Program.....	891,000
(3) 40-Healthy Families Program.....	8,787,977
(4) 50-Children’s Health Initiative Matching Fund Program.....	458,000
(6) Reimbursements.....	-199,000
(7) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4280-001-0236).....	-35,000
(8) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	-877,000
(9) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313).....	-942,000
(10) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	-5,331,000
(11) Amount payable from Mental Health Services Fund (Item 4280-001-3085).....	-151,000
(12) Amount payable from Federal Trust Fund (Item 4280-003-0890).....	-298,000

(13) Amount payable from Children’s Health Initiative Matching Fund (Item 4280-003-3055)..... –160,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-103-0890 or 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 and 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 chairpersons of the committees in each house of the Legislature 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. This provision shall not apply to any General Fund increases or reductions.
3. Augmentations to reimbursements in this item are exempt from Section 28.50. The Managed Risk Medical Insurance Board shall provide written notification within 30 days to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds \$200,000. Federal funds may be increased to allow for the matching of the augmentations of reimbursements and the Department of Finance may authorize the establishment of positions if costs are fully offset by the augmentations to reimbursements.

4280-001-0236—For support of the Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund..... 35,000

4280-001-0309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Perinatal Insurance Fund.... 877,000

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..... 942,000

Provisions:

1. Notwithstanding any other provision of law, the Department of Finance may augment this item 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..... 5,331,000

Provisions:

1. Provision 3 of Item 4280-001-0001 also applies to this item.

4280-001-3085—For support of the Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Mental Health Services Fund..... 151,000

4280-003-0001—For support of the Managed Risk Medical Insurance Board, for implementation of the County Health Initiative Interim Assistance Program..... 251,000

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..... 298,000

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 to Item 4280-001-0001, payable from the County Health Initiative Matching Fund, for the Children’s Health Initiative Matching Fund Program..... 160,000



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
- (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..... 343,193,000

Schedule:

- (1) 20-Access for Infants and Mothers Program..... 68,600,000
- (2) 40-Healthy Families Program..... 941,513,000
- (3) Amount payable from the Federal Trust Fund (Item 4280-101-0890)..... -666,920,000

Provisions:

- 1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 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..... 666,920,000

Provisions:

- 1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 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..... 25,813,000

Schedule:

- (1) 40-Healthy Families Program..... 72,350,000
- (2) Reimbursements..... -7,488,000
- (3) Amount payable from the Federal Trust Fund (Item 4280-102-0890)..... -39,049,000

Provisions:

- 1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 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.... 39,049,000

Provisions:

- 1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-101-0890 in order to effectively administer the Healthy Families Program.

4280-103-0001—For local assistance, Managed Risk Medical Insurance Board, for the County Health Initiative Interim Assistance Program..... 22,783,000

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..... 2,536,000

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..... 1,366,000

Schedule:

(1) 50-County Health Initiative Matching Fund Program..... 3,902,000

(2) Amount payable from the Federal Trust Fund (Item 4280-103-0890).... -2,536,000

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. The Department of Finance may also authorize the establishment of positions in order to allow the Managed Risk Medical Insurance Board to effectively administer the County Health Initiative Matching Fund program.
- 2. Funds in this item are subject to the availability, as determined by the Department of Finance, of federal State Children’s Health Insurance Program funds not needed for state-funded health programs, including, but not limited to, the Healthy Families Program and, as funded by the federal State Children’s Health Insurance Program, the Access for Infants and Mothers Program, and the Medi-Cal program. To determine the availability of funds, all entities participating in the County Health Initiative Matching Fund program, as a condition of receiving funds, 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 and 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..... 5,845,000
- (2) Amount payable from Federal Trust Fund (Item 4280-104-0890)..... -3,798,000

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..... 3,798,000

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..... (31,023,000)  
Provisions:

- 1. In order to effectively administer the Access to Infants and Mothers Program the Department of Finance may decrease or increase this item in order to conform the appropriation to revised subvention estimates statutorily required and approved by the budget committees of both the Senate and the Assembly.

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..... (14,404,000)

Provisions:

- 1. In order to effectively administer the Access to Infants and Mothers Program the Department of Finance may decrease or increase this item in order to conform the appropriation to revised subvention estimates statutorily required and approved by the budget committees of both the Senate and the Assembly.

4280-112-0232—For transfer by the Controller from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund to the Major Risk Medical Insurance Fund, for the Major Risk Medical Insurance Program.....	(6,393,000)
4280-112-0233—For transfer by the Controller from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund to the Major Risk Medical Insurance Fund, for the Major Risk Medical Insurance Program.....	(3,607,000)
4300-001-0001—For support of Department of Developmental Services.....	25,533,000

Schedule:

- (1) 10-Community Services Program.... 23,723,000
- (2) 20-Developmental Centers Program..... 14,174,000
- (3) 35.01-Administration..... 23,558,000
- (4) 35.02-Distributed Administration..... -23,558,000
- (6) Reimbursements..... -9,909,000
- (7) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-0172)..... -271,000
- (8) Amount payable from the Federal Trust Fund (Item 4300-001-0890).... -2,184,000

Provisions:

- 1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001 in order to appropriately align General Fund and Medi-Cal reimbursements from the Department of Health Services with budgeted activities. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer,

including the amount transferred, how the amount was determined, and how the amount will be utilized.

2. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$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.
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.
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.
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.
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, 2007, and May 15, 2007, which will include at a minimum all of the following:
  - (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.
- (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.

- 7. The State Department of Developmental Services shall actively engage the Regional Centers to assess and determine methods for (a) improving the training of case managers, (b) recruiting and retaining case managers throughout the state, and (c) addressing other needs as identified in the federal Centers of Medicare and Medicaid (CMS) letter (dated April 2006) regarding the state's compliance with the Home and Community-Based Waiver.
- 8. The State Department of Developmental Services shall provide to the Legislature on or before April 1, 2007, expenditure data for the costs of drugs purchased by Regional Centers and for the costs of Medicare Part D insurance premiums between July 1, 2006, and January 1, 2007, for Regional Center consumers eligible for the Medicare Part D drug benefit and projections for the rest of the calendar year.

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..... 271,000

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..... 2,184,000  
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..... 374,708,000  
Schedule:

- (1) 20-Developmental Centers Program..... 688,275,000
- (2) Reimbursements..... -312,947,000
- (3) Amount payable from the Federal Trust Fund (Item 4300-003-0890).... -620,000

Provisions:

1. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$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 working days, of its receipt of information concerning any investigation initiated by the United States Department of Justice and the private nonprofit corporation designated by the Governor pursuant to Division 4.7 (commencing with Section 4900) of the Welfare and Institutions Code or concerning any findings or recommendations resulting from any of these investigations.

4300-003-0890—For support of Department of Developmental Services, for payment to Item 4300-003-0001, payable from the Federal Trust Fund..... 620,000  
Provisions:

- 1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0890 in order to effectively administer the Foster Grandparent Program.

4300-004-0001—For support of Department of Developmental Services (Proposition 98), for Developmental Centers..... 10,021,000  
Schedule:

- (1) 20-Developmental Centers Program..... 13,510,000
  - (a) 20.17-AB 1202
    - Contracts..... 2,052,000

(b) 20.66-Medi-Cal  
Eligible Services.... 11,458,000

(2) Reimbursements..... -3,489,000  
Provisions:

1. Of the amount appropriated in this item,  
\$3,489,000 is to be used to provide the General  
Fund match for Medi-Cal Eligible Services.

4300-017-0001—For support of Department of Develop-  
mental Services, for implementation of the Health  
Insurance Portability and Accountability Act..... 267,000  
Schedule:

(1) 20-Developmental Centers Pro-  
gram..... 446,000

(2) Reimbursements..... -179,000  
Provisions:

1. The funding appropriated in this item is limited  
to the amount specified in 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.... 2,084,766,000  
Schedule:

(1) 10.10.010-Operations..... 479,488,000

(2) 10.10.020-Purchase of Ser-  
vices..... 2,732,506,000

(3) 10.10.060-Early Intervention Pro-  
grams..... 20,095,000

(4) Reimbursements..... -1,093,349,000

(5) Amount payable from Developmen-  
tal Disabilities Program Develop-  
ment Fund (Item 4300-101-0172).... -1,732,000

(5.5) Amount payable from Develop-  
mental Disabilities Services Ac-  
count (Item 4300-101-0496)..... -3,000

(6) Amount payable from Federal  
Trust Fund (Item 4300-101-  
0890)..... -52,239,000  
Provisions:

1. Upon order of the Director of Finance, the  
Controller shall transfer such funds as are neces-  
sary 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 trans-

ferred 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. Notwithstanding any other provision of law, the Director of Finance may augment this item for the 2006–07 fiscal year costs of the State Department of Developmental Services’ California Development Disabilities Information System (CADDIS), in excess of the amount appropriated in this item, subject to the following conditions:
  - (a) Based on the Special Project Report (SPR) for CADDIS approved by the Department of Finance, the amount of the augmentation shall not exceed the lesser of the following two amounts:
    - (1) Ten percent of the total project costs identified in the approved SPR.
    - (2) The 2006–07 costs identified in the approved SPR.
  - (b) In the 2006–07 fiscal year, the vendor may not conduct work on the project that would incur costs beyond the amount approved by the Department of Finance pursuant to this provision or appropriated by the Legislature.
  - (c) Any 2007–08 fiscal year or subsequent fiscal year costs shall be addressed through the normal budget process. The contract shall provide that if the project is discontinued, the state shall not be liable for any 2007–08 fiscal year or subsequent fiscal year costs, including closeout costs incurred by the vendor.
  - (d) Any augmentation pursuant to this provision shall be made no sooner than 30 days after written notification to the Chairperson of the Joint Legislative Budget Committee or no sooner than such lesser time as the

- Chairperson, or his or her designee, may in each instance determine.
- (e) The request for augmentation shall include all of the following:
    - (1) Verification that the state has secured the rights to fully use, modify, and enhance the computer system code.
    - (2) The results of the technical review of the code, functionality, and architecture of the system. The report on the technical review and assessment shall address system code efficiency, effectiveness, maintainability, and the extent to which the vendor's system documentation will facilitate future system maintenance.
    - (3) An approved SPR that contains a plan and schedule for management of the project to completion and identifies the resources necessary to complete the CADDIS project, including a cost estimate that reflects the results of vendor negotiations, as well as all other associated project costs.
    - (4) A report on the availability of federal funds for the project.
  5. Notwithstanding Section 12803.3 of the Government Code, upon approval of an augmentation pursuant to Provision 4, the State Department of Developmental Services may contract with the Office of Systems Integration for project management of the CADDIS project.
  6. \$2,148,000 of the funds appropriated in this item shall be used by Regional Centers to begin collecting the information required for reimbursement by the Home and Community-Based Services Waiver program from those service providers who are qualified providers under Title XIX of the Social Security Act, are not currently providing the required information, and are serving individuals enrolled under the Home and Community-Based Services Waiver program. Regional Centers shall assign the highest priority to utilizing these funds in order to obtain the information required for reimbursement from transportation vendors and other vendors with the highest annual costs.

<p>7. \$1,317,000 of the funds appropriated in this item may be used to augment service provider rates for the work needed to obtain information to secure federal participation under the Home and Community-Based Services Waiver program. Eligible providers are those service providers who are qualified providers under Title XIX of the Social Security Act, are not currently providing the required information, and are serving individuals enrolled under the Home and Community-Based Services Waiver program.</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> <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> <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> <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 Intervention 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>1,732,000</p> <p>3,000</p> <p>52,239,000</p>
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4300-102-0001—For local assistance, Department of Developmental Services, Program 10.10.010—Regional Centers: Operations, Special Item for Medicare Part D Transition.....	2,885,000
Provisions:	
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.	
4300-117-0001—For local assistance, Department of Developmental Services, for implementation of the Health Insurance Portability and Accountability Act.....	708,000
Schedule:	
(1) 10.10.010-Regional Centers: Operations.....	1,416,000
(2) Reimbursements.....	-708,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in 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.	
4300-301-0001—For capital outlay, Department of Developmental Services.....	1,177,000
Schedule:	
(1) 55.50.470-Porterville: Renovate Satellite Serving Kitchens and Dining Rooms—Preliminary plans.....	1,177,000
Provisions:	
1. Notwithstanding any other provision of law, the project funded in Schedule (1) of this item shall be considered part of the Porterville: New Main Kitchen project funded in Item 4300-301-0660 of this act.	
4300-301-0660—For capital outlay, Department of Developmental Services, payable from the Public Buildings Construction Fund.....	101,030,000
Schedule:	
(1) 55.50.470-Porterville: New Main Kitchen—Preliminary plans, working drawings, and construction.....	22,557,000
(2) 55.40.490-Porterville: 96-Bed Expansion and Recreation Complex—Construction.....	78,473,000

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 all phases of the projects authorized by this item.
2. The State Department of Developmental Services and State Public Works Board are 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.
3. 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 Developmental Services from the requirements of the California Environmental Quality Act. This provision is declarative of existing law.
4. Notwithstanding Section 1.80, funds appropriated in Schedule (1) for working drawings shall be available for expenditure until June 30, 2008, and funds appropriated in this item for construction shall be available for expenditure until June 30, 2011. In addition, the balance of funds for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2009, shall revert as of that date.

4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2006, 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, 2007, unless otherwise stated:

0001—General Fund

- (1) Item 4300-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)

Schedule:

- (a) Balance of appropriations in Schedule (1) 10.10.010 and Schedule (2) 10.10.020 for the Life Quality Assessment Interagency Agreement.

0496—Developmental Disabilities Services Account

- (1) Item 4300-101-0496, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 4300-490, Budget Act of 2005 (Ch. 38, Stats. 2005).

4300-491—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2010:

0001—General Fund

- (1) Item 4300-105-0001, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 4300-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Provisions:

1. The State Department of Developmental Services shall provide the appropriate fiscal and policy committees of the Legislature with a monthly update on the development of the housing and the expenditure of the \$11,115,000. At a minimum, this shall include all of the following components: (a) all the properties acquired during the month, (b) the cost of each property, (c) the address of each property, (d) the square footage of any residential structures on the property, (e) the size of any lot that is purchased with the intent to build on it, and (f) estimated construction and renovation costs for each property before construction or renovation begins. In addition, funds expended for the pre-development costs of securing property, such as escrow deposits, architectural fees, and abatement of asbestos and other hazardous materials, shall be reported.

4300-492—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2006, up to \$2,000,000 of the appropriation provided in the following citation is reappropriated for the purposes specified below and shall be available for encumbrance or expenditure until June 30, 2007, unless otherwise stated:



0001—General Fund

(1) Item 4300-101-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1) 10.10.010-Regional Centers: Operation

Provisions:

1. Up to \$2,000,000 of the funds appropriated in this item for the California Developmental Disabilities Information System (CADDIS) are made available for the 2006–07 fiscal year for activities necessary to complete the Special Project Report (SPR) or for activities necessary to request an augmentation pursuant to Provision 4 of Item 4300-101-0001. Expenditure of the funds after July 1, 2006, shall be contingent upon the State Department of Developmental Services providing notification to the Joint Legislative Budget Committee that the state has secured the rights to fully use, modify, and enhance the CADDIS computer system code as necessary to provide services and implement programs for persons with developmental disabilities. Upon completion of the technical review of the computer system, the State Department of Developmental Services shall notify the Joint Legislative Budget Committee of the feasibility of continuing the project.

4300-496—Reversion, Department of Developmental Services. As of June 30, 2006, the unencumbered balance of the appropriation 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 4300-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)

(1) 55.50.340-Porterville: Recreation Complex—Forensic—Preliminary plans, working drawings, and construction.

(2) 55.50.370-Porterville: 96 Bed Expansion—Forensic—Preliminary plans, working drawings, and construction

4440-001-0001—For support of Department of Mental Health..... 35,445,000

Schedule:

(1) 10-Community Services..... 62,992,000

(2) 20-Long-Term Care Services..... 16,059,000

(3) 35.01-Departmental Administration..... 24,328,000

- (4) 35.02-Distributed Departmental Administration..... -21,010,000
- (5) Reimbursements..... -21,936,000
- (6) Amount payable from the Traumatic Brain Injury Fund (Item 4440-001-0311)..... -119,000
- (7) Amount payable from the Federal Trust Fund (Item 4440-001-0890).... -3,742,000
- (8) Amount payable from the Mental Health Services Fund (Item 4440-001-3085)..... -20,772,000
- (9) Amount payable from the Licensing and Certification Fund, Mental Health (Item 4440-001-3099)..... -355,000

Provisions:

- 1. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-0001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.
- 2. Of the funds appropriated in this item, \$100,000 shall be used to contract to develop and provide training for counties and provider organizations, as well as to develop a documentation manual, on billing procedures and related processes associated with operating an effective and qualitative Early and Periodic Screening, Diagnosis and Treatment Program. The first training shall be provided no later than October 1, 2006, and shall focus on the most common concerns regarding documentation within the program. The development of the documentation manual shall be done in an expedited manner.

4440-001-0311—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Traumatic Brain Injury Fund..... 119,000

4440-001-0890—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Federal Trust Fund..... 3,742,000

Provisions:

- 1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4440-101-0890.

4440-001-3085—For support of the Department of Mental Health, for payment to Item 4440-001-0001, payable from the Mental Health Services Fund..... 20,772,000  
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.
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 chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees, and the appropriate subcommittees, in each house that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee identifying the need for that increase and the expenditure plan for the additional funds.

4440-001-3099—For support of the Department of Mental Health, for payment to Item 4440-001-0001, payable from the Licensing and Certification Fund, Mental Health..... 355,000

4440-003-0001—For support of the Department of Mental Health, for rental payments on lease-revenue bonds..... 38,688,000  
Schedule:

- (1) Base Rent and Fees..... 38,558,000
- (2) Insurance..... 130,000

- 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..... 836,976,000

Schedule:

(1) 20.10-Long-Term Care Services—Lanterman-Petris-Short Act.....	69,824,000
(2) 20.20-Long-Term Care Services—Penal Code and Judicially Committed.....	712,559,000
(3) 20.25-Long-Term Care Services—Civil Rights of Institutionalized Persons Act.....	31,241,000
(4) 20.30-Long-Term Care Services—California Department of Corrections and Rehabilitation.....	91,617,000
(5) 20.40-Long-Term Care Services—Other State Hospital Services.....	3,842,000
(6) Reimbursements.....	-72,011,000
(7) Amount payable from the California State Lottery Education Fund (Section 8880.5 of the Government Code).....	-96,000

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5240-001-0001.
2. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-0001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.
3. Upon approval of the State Department of Mental Health, a portion of the funds appropriated in Schedule (2) shall be available to reimburse counties for the cost of treatment and legal services to 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 (6) 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 2006–07 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 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 chairpersons of the committees of each house of the Legislature that consider 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, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), (4), and (5) in order to accurately reflect caseload in these programs.

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 Ser-  
vices—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..... 22,679,000

Schedule:

(1) 20-Long-Term Care Services..... 22,679,000

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.

4440-017-0001—For support of Department of Mental Health, for implementation of the Health Insurance Portability and Accountability Act..... 1,100,000

Schedule:

- (1) 10-Community Services..... 2,202,000
- (2) 20-Long-Term Care Services..... 0
- (3) 35.01-Departmental Administration..... 677,000
- (4) 35.02-Distributed Departmental Administration..... -677,000
- (5) Reimbursements..... -1,102,000

Provisions:

- 1. The funding appropriated in this item is limited to the amount specified in 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..... 410,711,000

Schedule:

- (1) 10.25-Community Services—Other Treatment..... 690,132,000
- (2) 10.30-Community Services—EPSDT..... 701,528,000
- (3) 10.47-Community Services—Children’s Mental Health Services..... 350,000
- (4) 10.85-Community Services—AIDS..... 1,500,000
- (5) 10.97-Community Services—Healthy Families..... 17,850,000
- (6) Reimbursements..... -1,000,649,000

Provisions:

- 1. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from Section 28.00. 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.

4440-101-0311—For local assistance, Department of Mental Health, all funds that are transferred into the Traumatic Brain Injury Fund pursuant to subdivision (f) of Section 1464 of the Penal Code.....	1,088,000
Schedule:	
(1) 10.87-Community Services—Traumatic Brain Injury Projects.....	1,237,000
(2) Reimbursements.....	-149,000
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 2006–07 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....	230,976,000
Schedule:	
(1) 10.25-Community Services—Other Treatment.....	230,976,000
Provisions:	
1. The allocation of funds appropriated in this item shall be determined based on a methodology developed by the Department of Mental Health in consultation with a statewide organization representing counties. This methodology shall be based on a review of actual and projected	



expenditures for mental health services for Medi-Cal beneficiaries, by county.

- 2. Of the amount appropriated in this item, \$8,000,000 shall be transferred to the Mental Health Managed Care Deposit Fund (Fund 0865).
- 3. Upon order of the Director of Finance and agreement between the Department of Mental Health and the Department of Health Services, the Controller shall transfer between this item and Item 4260-101-0001 any General Fund amount determined necessary to fully reflect the transfer of responsibility for administration of mental health services pursuant to the implementation of mental health managed care.

4440-104-0001—For local assistance, Department of Mental Health, to provide AB 3632 mental health services to special education pupils through a categorical program..... 52,000,000

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 Controller..... 66,000,000

Schedule:

- (1) 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).... 33,000,000
- (2) 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).... 33,000,000

Provisions:

- 1. The \$66,000,000 appropriated in Schedules (1) and (2) shall be used to reimburse local government agencies for costs claimed for the 2004–05

and 2005–06 fiscal years for services to handi-  
capped students (Ch. 1747, Stats. 1984) and se-  
riously emotionally disturbed pupils (Ch. 654,  
Stats. 1996) state-mandated local programs.  
Reimbursement for claims shall only be made  
for claims that are still subject to audit by the  
Controller.

- 2. It is the intent of the Legislature that the funds appropriated in Schedules (1) and (2), 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 the needs in the 2004–05 and 2005–06 fiscal years.

4440-301-0001—For capital outlay, Department of Mental Health.....	947,000
Schedule:	

- |  |         |
|--|---------|
| (1) 55.40.280-Napa: Remodel Satellite Serving Kitchens and Dining Rooms—Preliminary plans.....   | 598,000 |
| (2) 55.45.295-Patton: Remodel Satellite Serving Kitchens and Dining Rooms—Preliminary plans..... | 349,000 |

Provisions:

- 1. Notwithstanding any other provision of law, the project funded in Schedule (1) of this item shall be considered part of the Napa: Construct New Main Kitchen project funded in Item 4440-301-0660 of this act.
- 2. Notwithstanding any other provision of law, the project funded in Schedule (2) of this item shall be considered part of the Patton: Construct New Main Kitchen project funded in Item 4440-301-0660 of this act.

4440-301-0660—For capital outlay, Department of Mental Health, payable from the Public Buildings Construction Fund.....	41,682,000
Schedule:	

- |   |            |
|---|------------|
| (1) 55.40.280-Napa: Construct New Main Kitchen—Preliminary plans, working drawings, and construction..... | 20,696,000 |
|---|------------|

(2) 55.45.295-Patton: Construct New Main Kitchen—Preliminary plans, working drawings, and construction..... 20,986,000

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 all phases of the projects authorized by this item.
2. The State Department of Mental Health and State Public Works Board are 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.
3. 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.
4. Notwithstanding Section 1.80, funds appropriated in this item for working drawings shall be available for expenditure until June 30, 2008, and funds appropriated in this item for construction shall be available for expenditure until June 30, 2011. In addition, the balance of funds for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2009, shall revert as of that date.

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.

4440-490—Reappropriation, Department of Mental Health. 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 4440-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)		
(1) 55.35.295-Metropolitan: Remodel Satellite Serving Kitchens—Construction		
0660—Public Buildings Construction Fund		
(1) Item 4440-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)		
(1) 55.35.295-Metropolitan: Construct New Kitchen and Remodel Satellite Serving Kitchens—Construction		
(2) 55.45.270-Patton: Renovate Admission Suite and Fire Life Safety and Environmental Improvements and Seismic Retrofit, Phases II and III, EB Building—Construction		
4440-491—Reappropriation, Department of Mental Health. The amount specified 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:		
0001—General Fund		
(1) \$330,000 in Item 4440-011-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for implementation of Medicare Part D.		
4700-001-0001—For support of Department of Community Services and Development.....		150,000
Schedule:		
(1) 47-Naturalization Services.....	150,000	
4700-001-0890—For support of Department of Community Services and Development, payable from the Federal Trust Fund.....		9,574,000
Schedule:		
(1) 20-Energy Programs.....	8,570,000	
(2) 40-Community Services.....	3,111,000	
(3) 50.01-Administration.....	3,900,000	
(4) 50.02-Distributed Administration....	-3,900,000	
(5) Reimbursements.....	-2,107,000	
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 2005 (Ch. 38, Stats. 2005), 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..... 2,850,000  
Schedule:

- (1) 47-Naturalization Services..... 2,850,000

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  
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 farmworkers..... 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 2005 (Ch. 38, Stats. 2005), 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.....	52,543,000
Schedule:	
(1) 10-Vocational Rehabilitation Services.....	348,339,000
(2) 30-Support of Community Facilities.....	4,078,000
(3) 40.01-Administration.....	27,707,000
(4) 40.02-Distributed Administration.....	-27,707,000
(6) Reimbursements.....	-7,900,000
(7) Amount payable from the Vending Stand Fund (Item 5160-001-0600).....	-3,478,000
(8) Amount payable from the Federal Trust Fund (Item 5160-001-0890).....	-288,301,000
(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 State 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.....	3,478,000

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Item

STATUTES OF 2006

[ Ch. 47 ]  
Amount

5160-001-0890—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Federal Trust Fund....	288,301,000
Provisions:	
1. The amount appropriated in this item that is payable from federal Social Security Act funds for vocational rehabilitation services for SSI/SSDI recipients shall be expended only to the extent that funds received exceed the amount appropriated by Item 5160-101-0890 that is payable from the federal Social Security Act funds. It is the intent of the Legislature that first priority of federal Social Security Act funding be given to independent living centers in the amount of federal Social Security Act funding appropriated by Item 5160-101-0890.	
5160-001-3085—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.....	15,736,000
Schedule:	
(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.....	481,000
(2) Reimbursements.....	-481,000
5175-001-0001—For support of Department of Child Support Services.....	17,564,000
Schedule:	
(1) 10-Child Support Services.....	53,655,000
(2) Reimbursements.....	-123,000
(3) Amount payable from the Federal Trust Fund (Item 5175-001-0890).....	-35,968,000
5175-001-0890—For support of Department of Child Support Services, for payment to Item 5175-001-0001, payable from the Federal Trust Fund.....	35,968,000

5175-002-0001—For support of Department of Child Support Services..... 26,951,000

Schedule:

(1) 10-Child Support Services..... 85,275,000

(2) Amount payable from the Federal Trust Fund (Item 5175-002-0890)..... -58,324,000

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 17712 of the Family 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.

5175-002-0890—For support of Department of Child Support Services, for payment to Item 5175-002-0001, payable from the Federal Trust Fund..... 58,324,000

Provisions:

1. Provisions 1 and 2 of Item 5175-002-0001 also apply to this item.

5175-101-0001—For local assistance, Department of Child Support Services..... 510,504,000

Schedule:

(1) 10-Child Support Services..... 1,325,404,000



- (a) 10.01-Child Support Administration..... 1,100,073,000
- (b) 10.03-Child Support Automation..... 202,331,000
- (c) 10.04-Child Support Payments..... 23,000,000
- (2) Amount payable from the Federal Trust Fund (Item 5175-101-0890)..... -541,515,000
- (3) Amount payable from the Child Support Collections Recovery Fund (Item 5175-101-8004)..... -273,385,000

Provisions:

1. No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every child support services letter or similar 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 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 , 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 thereof 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 allow the state to perform the functions or oversee the functions of the local child support agency in the event a county fails to perform that function or is out of compliance with state performance standards.
4. It is the intent of the Legislature that the California Child Support Automation Project receive the highest commitment and priority of all of the state's child support automation activities.
5. Notwithstanding any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the implementation of the California Child Support Au-

tomation System Project not to exceed \$15,000,000 from Item 5175-339-0001. Project augmentations may be approved by the director not sooner than 30 days after written notification of 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 in each instance determine. The funds augmented pursuant to this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of the required Feasibility Study Report or Reports or equivalent document or documents.

6. From the federal funds appropriated in Schedule (1)(b) 10.03-Child Support Automation, an amount not to exceed \$132,000,000 shall be available for expenditure or encumbrance until June 30, 2008. The Department of Finance shall provide notification to the Joint Legislative Budget Committee of the amount of the carry-over within 10 working days from the date the amount of the carryover is determined.
7. Of the funds appropriated in this item, up to \$23,000,000 is available to the Department of Child Support Services to advance funds to offset the effect directly attributable to the creation of arrears resulting from the implementation of the State Disbursement Unit.
8. Of the amount appropriated in this item, \$2,000,000 shall be available for enhancements to the two existing consortia automation systems to enable the receipt and recording of child support transitional arrears payments to perform system queries necessary to identify noncustodial parents affected by the Department of Child Support Services payment processing change. This funding shall not be expended until the Department of Finance approves the Advance Planning Document/Special Project Report and 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 Legislature that considers

appropriations, unless the Chairperson of the Joint Legislative Budget Committee, or his or her designee, imposes a lesser time.

9. From the funds appropriated in this item, up to \$12,000,000 is provided for allocation by the Department of Child Support Services among local child support agencies to improve the overall performance of the Child Support program. The method of allocation shall be determined by the department in consultation with the local child support agencies. It is the intent of the Legislature that these additional funds be used by local child support agencies to support activities to improve the state's performance as determined by the federal and state performance measures. It is also the intent of the Legislature that this funding be used by local child support agencies to help them to meet or exceed their annual performance goals.

5175-101-0890—For local assistance, Department of Child Support Services, for payment to Item 5175-101-0001, payable from the Federal Trust Fund..... 541,515,000  
Provisions:

1. Provisions 1, 5, and 6 of Item 5175-101-0001 also apply to this item.
2. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5175-001-0890 in order to allow the state to perform the functions or oversee the functions of the local child support agency in the event a county fails to perform that function or is out of compliance with state performance standards.
3. Notwithstanding Section 28.00 or any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may increase or decrease the expenditure authority in this item to offset any increases or decreases in collections deposited in the Child Support Collections Recovery Fund and appropriated in Item 5175-101-8004. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.

- 4. Of the amount appropriated in this item, \$1,980,000 shall be available for enhancements to the California Child Support Automation System project to enable the receipt and recording of child support transitional arrears payments and to perform system queries necessary to identify noncustodial parents affected by the Department of Child Support Services payment processing change. This funding shall not be expended until the Department of Finance approves the Advance Planning Document/Special Project Report and 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 Legislature that considers appropriations, unless the Chairperson of the Joint Legislative Budget Committee, or his or her designee, imposes a lesser time.

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..... 273,385,000  
Provisions:

- 1. Notwithstanding any other provision of law, upon request by the Department of Child Support Services, the Director of Finance may increase or decrease this appropriation, for the purposes of Section 17702.5 of the Family Code. Adjustments to expenditure authority shall be consistent with those made pursuant to Provision 3 of Item 5175-101-0890. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.

5175-399-0001—For local assistance and state operations, Department of Child Support Services and Franchise Tax Board, for costs associated with the implementation of the California Child Support Automation System Project..... 15,000,000  
Provisions:

- 1. Subject to Provision 5 of Item 5175-101-0001 and Provision 9 of Item 1730-001-0001, and notwithstanding any other provision of law, funds appropriated in this item may be trans-

ferred to Items 1730-001-0001 and 5175-101-0001.

2. Funds appropriated in this item shall be available for expenditure until June 30, 2007. Any funds not transferred by June 30, 2007, shall revert to the General Fund.

5175-490—Reappropriation, Department of Child Support Services. The balances of the appropriations provided in the following citations are reappropriated and shall be available for encumbrance or expenditure until June 30, 2007, for unanticipated costs occurring during the 2006–07 fiscal year associated with the California Child Support Automation System project, and may be expended upon the written approval of the Department of Finance issued on or before that date:

0001—General Fund

- (1) Item 5175-001-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (2) Item 5175-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (3) Item 5175-002-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (4) Item 5175-002-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) Item 5175-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (6) Item 5175-101-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

0890—Federal Trust Fund

- (1) Item 5175-001-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (2) Item 5175-001-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (3) Item 5175-002-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (4) Item 5175-002-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) Item 5175-101-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (6) Item 5175-101-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Provisions:

1. Notwithstanding Section 26.00 or any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may transfer any funding reappropriated

in this item to Items 5175-001-0001, 5175-002-0001, and 5175-101-0001 of Section 2.00 of this act.

2. Notwithstanding Section 26.00 or 28.00 or any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may transfer any funding reappropriated in this item to Items 5175-001-0890, 5175-002-0890, and 5175-101-0890 of Section 2.00 of this act.
3. Notwithstanding any other provision of law, any funding reappropriated in this item may be transferred from the Department of Child Support Services to the Franchise Tax Board.
4. No expenditure or transfer authorized in this item may become effective sooner than 30 days after notice is provided 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 whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

5180-001-0001—For support of Department of Social Services..... 87,569,000

Schedule:

- (1) 16-Welfare Programs..... 63,579,000
- (2) 25-Social Services and Licens-  
ing..... 146,470,000
- (3) 35-Disability Evaluation and Other  
Services..... 250,336,000
- (6) 60.01-Administration..... 38,823,000
- (7) 60.02-Distributed Administra-  
tion..... -38,823,000
- (8) Reimbursements..... -24,783,000
- (9) Amount payable from Foster Family  
Home and Small Family Home  
Insurance Fund (Item 5180-001-  
0131)..... -2,263,000
- (10) Amount payable from the Federal  
Trust Fund (Item 5180-001-  
0890)..... -345,262,000
- (11) Amount payable from the Mental  
Health Services Fund (Item 5180-  
001-3085)..... -508,000

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.
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, upon request by the Department of Social Services, the Department of Finance may augment expenditure authority in this item to fund increased costs associated with the state administrative hearing process at the time the request is made. Concurrent with the Department of Finance approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.



- 7. The State Department of Social Services shall continue to convene periodic meetings throughout the year so that stakeholders may receive information and have the opportunity to provide input to the department regarding the quality assurance, program integrity, and program consistency efforts in the In-Home Supportive Services program (Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code). In addition, the department shall report during 2007 budget hearings on the impact of quality assurance regulations.

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..... 2,263,000

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 2006–07 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 2006–07 fiscal year, the department shall notify the Legislature. Upon notification the amount of the limitation for the 2006–07 fiscal year shall be increased by the amount of such excess from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund.

5180-001-0270—For support of Department of Social Services, payable from the Technical Assistance Fund..... 22,200,000

5180-001-0271—For support of Department of Social Services, payable from the Certification Fund..... 1,376,000

Item Amount

5180-001-0279—For support of Department of Social Services, payable from the Child Health and Safety Fund..... 1,963,000

5180-001-0803—For support of Department of Social Services, payable from the State Children’s Trust Fund..... 208,000

5180-001-0890—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Federal Trust Fund..... 345,262,000

- 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..... 508,000

- 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..... 1,267,000

- 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..... 97,000

5180-011-0890—For transfer by the Controller from the Federal Trust Fund to the Foster Family Home and Small Family Home Insurance Fund..... 996,000

- Provisions:
1. Provision 1 of Item 5180-001-0131 also applies to this item.

5180-101-0001—For local assistance, Department of Social Services..... 2,697,590,000

- Schedule:
- (1) 16.30-CalWORKs..... 4,941,154,000

(2) 16.65-Other Assistance Pay-ments.....	1,623,234,000
(3) Reimbursements.....	-3,584,000
(4) Amount payable from the Emergen- cy Food Assistance Program Fund (Item 5180-101-0122).....	-448,000
(5) Amount payable from the Employ- ment Training Fund (Item 5180- 101-0514).....	-20,000,000
(6) Amount payable from the Fed- eral Trust Fund (Item 5180- 101-0890).....	-3,828,019,000
(7) Amount payable from the Child Support Collections Recovery Fund (Item 5180-101-8004).....	-14,747,000

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 required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance

sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been received by this state prior to the usual time for 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 2006–07 fiscal year that are within or in excess of amounts appropriated in this act for that year.

If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time 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 Op-

portunity 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.
8. The Department of Finance is authorized to approve expenditures for the California Food Assistance Program in those amounts made necessary by changes in the Food Stamp Program Standard Utility Allowance, including those that result from midyear Standard Utility Allowance adjustments requested by the state. 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 authorization shall be increased by the amount of the excess unless and until otherwise provided by law.
9. Upon request of the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0001 as needed to reflect the

estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18258 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

- 11. Upon request by the State Department of Social Services, the Department of Finance may authorize the transfer of funds in this item between Schedule (1) 16.30-CalWORKs and Schedule (2) 16.65-Other Assistance Payments to reflect caseload adjustments for the Kin-GAP or Kin-GAP Plus programs. Any transfers pursuant to this provision shall be implemented no sooner than 30 days after written notification of the necessity therefor is provided to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations, unless the Chairperson of the Joint Legislative Budget Committee, or his or her designee, determines a lesser time.

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..... 448,000

5180-101-0514—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Employment Training Fund..... 20,000,000  
Provisions:

- 1. Pursuant to Section 1611.5 of the Unemployment Insurance Code, funds appropriated in this item are available for CalWORKs welfare-to-work activities.

5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund..... 3,828,019,000  
Provisions:

- 1. Provisions 1, 4, 6, 7, 9, and 10 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 for 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). 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 State 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 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, for payment to Item 5180-101-0001, payable from the Child Support Collections Recovery Fund.....

14,747,000

Provisions:

- 1. Notwithstanding any other provision of law, upon request by the State 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 written notification 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, 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..... 4,952,484,000

Schedule:

- (1) 16.70-SSI/SSP..... 3,619,709,000
- (2) 25.15-IHSS..... 3,942,605,000
- (3) Reimbursements..... -2,609,830,000

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 \$215,000,000 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 or programs 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 or programs 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. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund increased costs due to workload associated with the retroactive reimbursement of Medi-Cal services for the IHSS program to comply with the Conlan v. Shewry court decision. The Department of Finance shall



report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made. By October 1, 2006, the State Department of Social Services shall develop an estimate of the county administrative costs to comply with this court decision. Funding for the increased cost of payments and county administration resulting from retroactive reimbursement in complying with this court decision shall be funded either through new resources under authorization of Provision 1 of this item, which references Provision 4 of Item 5180-101-0001, or through existing unspent resources available in other programs in this item through the transfer authority of Section 26.00.

- 5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the IHSS program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

5180-141-0001—For local assistance, Department of Social Services..... 432,625,000

Schedule:

- (1) 16.75-County Administration and Automation Projects..... 1,043,686,000
- (2) Reimbursements..... -54,203,000
- (3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)..... -556,858,000

Provisions:

- 1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$127,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.

2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-0001 and 5180-141-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
3. Provision 1 of Item 5180-101-0001 also applies to this item.
4. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.
5. 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. It is the intent of the Legislature that testing of the interface between the Statewide Automated Welfare System (SAWS) and the California Child Support Automation System be considered a high priority by the SAWS Consortia, county

welfare departments, the State Department of Social Services, the Office of Systems Integration, the Department of Child Support Services, the Franchise Tax Board, and local child support agencies. These entities shall make every effort to complete the interface testing as soon as possible. Resources may be redirected for this purpose, if necessary.

- 8. Upon request of the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0001 as needed to reflect the estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18258 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 556,858,000  
Provisions:

- 1. Provisions 2, 3, 4, 6, 7, and 8 of Item 5180-141-0001 also apply to this item.

5180-151-0001—For local assistance, Department of Social Services..... 909,599,000  
Schedule:

- (1) 25.30-Children and Adult Services and Licensing..... 2,387,042,000
- (2) 25.35-Special Programs..... 22,644,000
- (3) Reimbursements..... -99,173,000
- (4) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)..... -878,000
- (5) Amount payable from the State Children’s Trust Fund (Item 5180-151-0803)..... -1,600,000
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890)..... -1,397,686,000
- (7) Amount payable from the Child Welfare Services Program Improvement Fund (Item 5180-151-8023).... -750,000

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 allow the state to perform the adoptions function in the event that a county notifies the State Department of Social Services that it intends to cease performing that function.
6. Of the amount appropriated in this item, \$171,440,000 shall be provided to counties to fund additional child welfare services 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 State 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.
8. Of the amount appropriated in this item, \$2,500,000 shall be provided to counties to fund additional services for the Kinship Supportive Services Program and shall be allocated on a competitive basis to counties that demonstrate out-year savings in their grant application.
9. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0001 as needed to reflect the estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18258 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

10. Of the amount appropriated in this item, \$98,000,000 shall be designated for needed outcome improvements identified in the county system improvement plans. The funds shall be allocated based on a methodology developed by the department, in consultation with the County Welfare Directors Association. Funds appropriated for child welfare services outcome improvements shall be flexible and may be spent on local priorities identified in the county's system improvement plan, including, but not limited to, reducing high worker caseloads, clerical or paraprofessional support, direct services to clients, such as mental health or substance abuse treatment, prevention, and early intervention services, such as differential response, permanency, and youth transition practice improvements, or any other investments to better serve children and families. It is the intent of the Legislature that these funds be linked to improved outcomes and provided to counties on an ongoing basis. 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.
- 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..... 878,000
- 5180-151-0803—For local assistance, Department of Social Services, payable from the State Children's Trust Fund..... 1,600,000
- 5180-151-0890—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund..... 1,397,686,000
- Provisions:
1. Provisions 1, 3, 5, 6, 9, and 10 of Item 5180-151-0001 also apply to this item.
  2. It is the intent of the Legislature that the Independent Living Program, Kinship Support Services, and Dependency Drug Courts be the highest priority uses of any additional federal Promoting Safe and Stable Families funding that becomes available for expenditure in the 2006–07 fiscal year, to the extent that expenditures of those

funds for those programs are consistent with federal law.

5180-151-8023—For local assistance, Department of Social Services, payable from the Child Welfare Services Program Improvement Fund..... 750,000  
Provisions:

1. Notwithstanding any other provision of law, upon request by the Department of Social Services, the Department of Finance may increase or decrease the expenditure authority in this item, for the purposes of Section 16524 of the Welfare and Institutions 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 Legislature that considers appropriations, unless the Chairperson of the Joint Legislative Budget Committee, or his or her designee, imposes a lesser time.

5180-153-0001—For local assistance, Department of Social Services..... 10,000,000  
Schedule:

- (1) 26-Title IV-E Waiver..... 35,549,000
- (2) Amount payable from the Federal Trust Fund (Item 5180-153-0890)..... -25,549,000

Provisions:

1. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Items 5180-101-0001, 5180-141-0001, and 5180-151-0001 as needed to reflect the estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18258 of the Welfare and Institutions Code. In addition, funds appropriated in this item may also be transferred to Item 5180-151-0001 for the Child Welfare Services Outcome Improvement Project. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer is authorized at the time the report is made.

5180-153-0890—For local assistance, Department of Social Services, for payment to Item 5180-153-0001, payable from the Federal Trust Fund..... 25,549,000  
Provisions:

1. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Items 5180-101-0890, 5180-141-0890, and 5180-151-0890 as needed to reflect the estimated expenditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18258 of the Welfare and Institutions Code. In addition, funds appropriated in this item may also be transferred to Item 5180-151-0890 for the Child Welfare Services Outcome Improvement Project. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

5180-402—The Director of Finance is authorized to approve transfers of \$369,120,000 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 State Department of Education shall be used only for direct services to Stage 2 child care recipients, and the State 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 State 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 State Department of Education shall comply with existing TANF and CalWORKs regulations and reporting requirements.

Provisions:

1. Upon request from the State Department of Education, and upon approval by the Director of



Finance, the State Department of Social Services is authorized to transfer up to \$10,000,000 from the federal Temporary Assistance for 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 \$369,120,000. 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 \$220,882,000 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, 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 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 balances of the funds for the appropriations provided in the following citations are reappropriated for expenditure pursuant to Provision 1 and are available for encumbrance or expenditure until June 30, 2007:

0001—General Fund

(1) Item 5180-111-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(2) Item 5180-141-0001, Budget Act of 2005 (Ch. 38, Stats. 2005)

(3) Item 5180-151-0001, Budget Act of 2005 (Ch. 38, Stats. 2005)

0890—Federal Trust Fund

(1) Item 5180-141-0890, Budget Act of 2005 (Ch. 38, Stats. 2005)

(2) Item 5180-151-0890, Budget Act of 2005 (Ch. 38, Stats. 2005)

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 chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

5180-492—Reappropriation, Department of Social Services. The balance of the appropriation provided in the following citation for the Case Management, Information and Payrolling System Independent Verification and Validation contract is reappropriated for encumbrance or expenditure until June 30, 2007:  
0001—General Fund

(1) Item 5180-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

5180-493—Reappropriation, Department of Social Services. The balances of the appropriations provided for in the following citations are reappropriated pursuant to Provision 1 and are available for encumbrance or expenditure until June 30, 2007:  
0890—Federal Trust Fund

- (1) Item 5180-101-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (2) Item 5180-101-0890, Budget Act of 2001 (Ch. 106, Stats. 2001)

Provisions:

- 1. Funds for fraud recovery incentive payments earned by counties in accordance with subdivision (j) of Section 11486 of the Welfare and Institutions Code, but unexpended as of June 30, 2006, shall be reappropriated for transfer to and in augmentation of Item 5180-101-0890 of Section 2.00.

CORRECTIONS AND REHABILITATION

5225-001-0001—For support of the Department of Corrections and Rehabilitation..... 6,323,617,000  
Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 247,061,000
- (2) 15-Corrections Standards Authority..... 6,612,000
- (3) 20-Juvenile Operations..... 194,105,000
- (4) 21-Juvenile Education, Vocations and Offender Programs..... 134,190,000
- (5) 22-Juvenile Paroles..... 36,758,000
- (6) 23-Juvenile Health care..... 78,487,000
- (7) 25-Adult Corrections and Rehabilitation Operations..... 4,735,721,000
- (8) 30-Parole Operations-Adult..... 669,058,000
- (9) 35-Board of Parole Hearings..... 97,931,000
- (10) 40-Community Partnerships..... 7,726,000
- (11) 45-Education, Vocations and Offender Programs-Adult..... 273,496,000
- (13) Reimbursements..... -84,696,000
- (14) Amount payable from the Corrections Training Fund (Item 5225-001-0170)..... -2,671,000
- (15) Amount payable from the Federal Trust Fund (Item 5225-001-0890)..... -6,516,000
- (16) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917)..... -63,645,000

Provisions:

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, 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.
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 the Department 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.
11. Not later than February 17, 2007, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget 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) yearend expenditures

by program for each institution in the 2005–06 fiscal year, (b) allotments and projected expenditures by program for each institution in the 2006–07 fiscal year, (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 2006–07 fiscal year.

14. Of the funds appropriated in Schedule (1), \$1,000,000 shall be available for expenditure on a comprehensive study of the Department of Corrections and Rehabilitation’s existing information technology resources and workload no sooner than 30 days after approval by the Chairperson of the Joint Legislative Budget Committee of a plan to conduct such a study.
15. Of the funds appropriated in this item, \$55,969,000 is provided for the purpose of funding a 3.1-percent price increase for the Department of Corrections and Rehabilitation. Of that amount, the department shall provide a 3.1-percent increase on the variable costs and personal services amounts for public community correctional facilities.
16. The Department of Corrections and Rehabilitation shall report to the Joint Legislative Budget Committee on September 1, 2006, and March 1, 2007, regarding its efforts to reduce the hiring time for entry level peace officer classifications from point of application to point of eligibility, as well as meet the increasing demands for the institutions statewide. The department shall provide information on its progress in reducing the overall selection process from 12 to 18 months to 6 months, and on its progress in providing approximately 3,600 correctional officers in the 2006–07 fiscal year through the Basic Correctional Officer Academy.
17. No later than September 1, 2006, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairperson of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst’s Office an implementation and evaluation plan for funding pro-

vided as part of Recidivism Reduction Strategies. For each program component of Recidivism Reduction Strategies, the department shall detail its projected timeline for program implementation, including, but not limited to, purchasing equipment and supplies, hiring staff, securing contracts, beginning participation by inmates and parolees, and reaching full operating capacity. For each program component of Recidivism Reduction Strategies, the plan shall also identify the specific measures by which the department plans to evaluate these programs, the baseline measurements for these programs, as well as identify projected implementation targets and targeted projected outcomes for September 2006, March 2007, and annually for five years that the department expects to achieve for each of these measures.

18. Of the funds appropriated in this item, \$900,000 shall be used to contract with correctional program experts to complete comprehensive evaluations of all adult prison and parole programs designed to reduce recidivism, including education, rehabilitation and treatment, and parole programs, for both male and female inmates and parolees. This evaluation shall include an inventory of existing programs, including program capacity, as well as an assessment of whether each of these programs is likely to have a significant impact on recidivism for those participants. This evaluation shall also include an estimate of the number of inmates or parolees not currently participating in these programs who would be likely to benefit from participation. The Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office a report detailing the findings of the evaluation by June 30, 2007.
22. Of the funds appropriated in this item, \$281,626,000 is available for expenditure only for the purposes identified below. Any unexpended funds shall revert to the General Fund.
  - (a) Basic Correctional Officer Academy Expansion: \$54,503,000

- (b) Farrell v. Hickman, Healthcare Remedial Plan: \$7,530,000
- (c) Farrell v. Hickman, Ward Safety and Welfare Remedial Plan: \$42,934,000
- (d) Electronic In-Home Detention Restoration: \$1,202,000
- (e) Medical Guarding and Transportation: \$30,958,000
- (f) Records Staffing and Automation: \$7,759,000
- (g) Electromechanical Security Door Operating and Locking System: \$3,000,000
- (h) Equipment Replacement: \$400,000
- (i) Private Community Correctional Facility Security Enhancements: \$453,000
- (j) Recidivism Reduction Strategies: \$52,761,000
- (k) Global Positioning System Monitoring Expansion: \$5,134,000
- (l) Critical Special Repair Projects and Assessments: \$11,000,000
- (m) Gang Management: \$200,000
- (n) Restoration of Parole Hearings Appeals Unit: \$640,000
- (o) Rutherford v. Schwarzenegger, Life Prisoner Parole Hearing Staffing: \$6,646,000
- (p) Protective Vests: \$4,079,000
- (q) Enterprise Information Services Corrective Action Plan: \$2,249,000
- (r) Madrid v. Woodford, Compliance: \$5,168,000
- (s) Garrison Johnson v. California, Racial Integration: \$4,829,000
- (t) Victims and Witness Assistance at Parole Revocation Hearings: \$1,430,000
- (u) Farrell v. Hickman, Mental Health Remedial Plan Resources: \$14,778,000
- (v) Farrell v. Hickman, Consent Decree: \$1,327,000
- (w) Space Needs Related to Farrell v. Hickman: \$12,469,000
- (x) Substance Abuse Treatment Funding: \$835,000
- (y) Coleman v. Schwarzenegger, Court Order Compliance: \$2,325,000
- (z) Comprehensive Health Care Recruitment Staff: \$3,928,000

(aa) Coleman v. Schwarzenegger, Psychiatrists  
Pay Enhancement: \$3,089,000

23. Within the 2006–07 fiscal year, the Division of Juvenile Justice shall implement Behavior Treatment Programs in at least seven living units, enhanced Core Treatment Programs in at least 12 living units, and at least one reentry living unit. In order to demonstrate measurable outcomes, the Division of Juvenile Justice shall focus the implementation of Core Treatment Programs at one individual facility in the first fiscal year. No later than September 15, 2006, and March 15, 2007, the Division of Juvenile Justice shall report to the Joint Legislative Budget Committee on specific performance measures by which the Department of Corrections and Rehabilitation plans to evaluate these programs, the baseline measurements for these programs, as well as projected implementation targets and projected outcomes for March 2007, and September 2007, related to the implementation of the Farrell remedial plans. Performance measures should include both process and outcome measures consistent with a critical path for project implementation.

24. Funds appropriated to accommodate projected adult institutional and parolee population levels in excess of those that actually materialize, if any, shall revert to the General Fund.

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.....	2,671,000
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.....	6,516,000
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.....	63,645,000
5225-002-0001—For support of the Department of Corrections and Rehabilitation.....	1,516,637,000
Schedule:	
(1) 10-Corrections and Rehabilitation Administration.....	8,283,000



- (2) 25.01-Adult Corrections and Rehabilitation Operations..... 65,256,000
- (3) 25.02-Adult Corrections and rehabilitation Operations-Distributed.... -65,256,000
- (4) 50-Correctional Health Care Services..... 1,410,447,000
- (5) 97-Unallocated..... 100,000,000
- (6) Reimbursements..... -2,093,000

Provisions:

1. On February 14, 2006, the United States District Court in the case of Plata v. Schwarzenegger (No. C01-1351 THE) suspended the exercise by the Secretary of the California Department of Corrections and Rehabilitation of all powers related to the administration, control, management, operation, and financing of the California prison medical health care system. The court ordered that all such powers vested in the Secretary of the California Department of Corrections and Rehabilitation were to be performed by a receiver appointed by the court commencing April 17, 2006, until further order of the court. The Director of Health Services is to administer this item to the extent directed by the receiver.
2. Notwithstanding any other provision of law, the amount available for expenditure in Schedule (5) is for the purpose of funding costs for the Department of Corrections and Rehabilitation, including the operations of the Office of the California Prison Receivership, and any other state agency or department that is involved in the provision of health care to California inmates, including the costs of capital projects, resulting from actions by the receiver or the court in Plata v. Schwarzenegger. From any amount available in Schedule (5), the Director of Finance may authorize the transfer of funds from Schedule (5) for the purpose of augmenting the amount available for expenditure in any other schedule in this item, or any other appropriation in Section 2.00 to a department or agency that is involved in the provision of health care to California inmates. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature no later than 10 days after the

effective date of the transfer. The notification to the Legislature shall include information regarding the purpose of the expenditures and the expected outcome of those expenditures.

3. No later than March 1, 2007, the Department of Corrections and Rehabilitation shall submit a report to the Legislature that provides the guidelines for the goals and performance measures of the delivery of health care services and how the department will compare their performance to those measures to determine whether they are providing the appropriate level of care.
4. 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.
5. Notwithstanding Section 13324 of the Government Code or Section 32.00 of this act, no state employee shall be held personally liable for any expenditure or the creation of any indebtedness in excess of the amounts appropriated therefore as a result of complying with the directions of the Receiver or orders of the United States District court in *Plata v. Schwarzenegger*.
7. On or before January 1, 2007, the Department of Corrections and Rehabilitation shall establish guidelines concerning the conditions under which inmates needing special medical care are provided with a physician consultation through telemedicine rather than an in-person visit at an outside medical facility. The guidelines should take into consideration factors including, but not limited to, whether (a) a telemedicine consultation is medically appropriate, (b) a medical specialist is available to conduct a telemedicine consultation in a timely manner, and (c) the inmate in need of medical specialty services is assigned to a prison that has received telemedicine resources as part of the *Plata v. Schwarzenegger* rollout. Based on these guidelines, by March 1, 2007, the department shall establish monthly performance targets for prisons with a telemedicine capability regarding the total number and percentage of medical specialty consultations that are conducted by

telemedicine rather than at community medical facilities, and provide a copy of the performance targets to the Joint Legislative Budget Committee. By June 30, 2007, the department shall provide a written report to the Joint Legislative Budget Committee on the extent to which the prisons achieved their performance targets. The report shall include any factors that may have prevented the department from meeting its performance targets, as well as the total estimated savings from using telemedicine.

- 8. The Department of Finance shall immediately notify the Joint Legislative Budget Committee and the fiscal committees in each house of the Legislature when expenditures pursuant to Provision 2 are occurring at a rate that would exhaust the level of funding in Schedule (5) prior to the end of the fiscal year.
- 9. Any funds in Schedule (5) that are not expended by June 30, 2007, shall revert to the General Fund.

5225-003-0001—For support of Department of Corrections and Rehabilitation, for rental payments on lease-revenue bonds..... 245,806,000

Schedule:

- (1) Base Rental and Fees..... 246,174,000
- (2) Insurance..... 1,666,000
- (3) Reimbursements..... -2,034,000

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.

5225-004-0001—For support of the Department of Corrections and Rehabilitation..... 530,000

Schedule:

- (1) 15-Corrections Standards Authority..... 1,273,000
- (2) Reimbursements..... -10,000

(3) Amount payable from the Federal Trust Fund (Item 5225-004-0890)....	-733,000	
5225-004-0890—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-004-0001, payable from the Federal Trust Fund.....		733,000
5225-011-0001—For support of the Department of Corrections and Rehabilitation (Proposition 98).....		52,859,000
Schedule:		
(1) 21-Juvenile Education, Vocations and Offender Programs.....	52,859,000	
5225-101-0001—For local assistance, Department of Corrections and Rehabilitation.....		279,617,000
Schedule:		
(1) 15-Corrections Standards Authority .....	202,250,000	
(2) 20-Juvenile Operations.....	78,000	
(3) 22-Juvenile Paroles.....	11,403,000	
(4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates.....	278,000	
(5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives.....	2,593,000	
(6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges.....	17,160,000	
(7) 30-Parole Operations—Adult.....	45,855,000	
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. 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.
- (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 \$71.57

- per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections 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.
  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 the 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.

- 5. Of the amount appropriated in Schedule (3), \$10,000,000 is for the Juvenile Justice Community Reentry Challenge Grant Program. Of the amount appropriated for this program, up to a total of 5 percent shall be transferred upon the approval of the Director of Finance to either Schedule (2) or (5), or both, of Item 5225-001-0001 for expenditure to administer this program, including technical assistance to counties and the development of an evaluation component.
- 5225-101-0170—For local assistance, Department of Corrections and Rehabilitation, Program 15-Corrections Standards Authority, payable from the Corrections Training Fund..... 19,465,000
- 1. Notwithstanding any other provision of law, any city, county, or city and county that desires to receive state aid pursuant to this provision shall make application to the Corrections Standards Authority for such aid. The initial application shall be accompanied by a certified copy of an ordinance adopted by the governing body providing that, while receiving any state aid pursuant to this provision, the city, county, or city and county will adhere to the standards for selection and training established by the authority. The application shall contain such information as the authority may require.
  - 2. The authority shall annually allocate and the State Treasurer shall periodically pay from the Corrections Training Fund, at intervals specified by the authority, to each city, county, or city and county that has applied and qualified for aid pursuant to the provisions of this item an amount determined by the authority pursuant to standards set forth in its regulations. In no event shall any allocation be made to any city, county, or city and county that is not adhering to the selection and training standards established by the authority as applicable to such city, county, or city and county.
- 5225-104-0890—For local assistance, Department of Corrections and Rehabilitation, payable from the Federal Trust Fund..... 34,950,000
- Schedule:
- (1) 15.50.701-Juvenile Justice and Delinquency Prevention..... 7,065,000

(2)	15.50.703-Community Delinquency Prevention Program.....	5,002,000
(3)	15.50.705-Juvenile Accountability Incentive.....	21,769,000
(4)	15.50.706-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, 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 Department of Corrections and Rehabilitation.	
5225-301-0001—	For capital outlay, Department of Corrections and Rehabilitation.....	177,679,000
Schedule:		
(1.5)	60.26.006-Northern California Youth Correctional Center, Stockton: Core Treatment Facility—Study.....	3,000,000
(2)	60.26.145-Northern California Youth Correctional Center, Stockton: Blast Chiller—Construction....	1,252,000
(3)	61.01.001-Statewide: Budget Packages and Advance Planning.....	1,250,000
(4.5)	61.01.202-Statewide: Small Management Exercise Yards (MCSP, SOL, WSP, RJD)—Construction.....	2,720,000
(5)	61.03.023-California Correctional Center, Susanville: Wastewater Treatment Plant Modifications—Preliminary plans.....	1,567,000
(6)	61.06.029-Deuel Vocational Institution, Tracy: Groundwater Treatment/Non-Potable Water Distribution System—Construction.....	27,123,000
(7)	61.06.030-Deuel Vocational Institution, Tracy: New Wastewater Treatment Plant—Working drawings and construction.....	26,660,000



(8)	61.06.034-Deuel Vocational Institution, Tracy: New Electrical Power Substation—Preliminary plans, working drawings, and construction.....	2,475,000
(9)	61.07.029-Folsom State Prison, Represa: Convert Officer and Guards Building to Office Space—Preliminary plans.....	410,000
(11)	61.08.049-California Institution for Men, Chino: Solid Cell Fronts—Working drawings.....	645,000
(12)	61.09.038-California Medical Facility, Vacaville: Solid Cell Fronts—Working drawings.....	387,000
(13)	61.09.040-California Medical Facility, Vacaville: Intermediate Care Facility—Working drawings and construction.....	5,455,000
(13.5)	61.09.041-California Medical Facility, Vacaville: Intermediate Care Facility—Preliminary Plans.....	3,914,000
(14)	61.10.036-California Men’s Colony, San Luis Obispo: High Mast Lighting—Construction.....	1,045,000
(15)	61.10.049-California Men’s Colony, San Luis Obispo: Potable Water Distribution System Upgrade—Construction.....	33,563,000
(15.5)	61.13.015-California Institution for Women, Frontera: Acute/Intermediate Care Facility—Preliminary Plans.....	2,172,000
(16)	61.14.030-Minor Projects.....	12,500,000
(17)	61.16.023-Sierra Conservation Center, Jamestown: Filtration/Sedimentation Structure—Preliminary plans.....	151,000
(17.1)	61.18.010-Mule Creek State Prison, Ione: Enhanced Outpatient Program, Treatment and Program Space—Preliminary plans.....	250,000

(17.2)	61.21.009-California State Prison—Los Angeles County, Los Angeles: Enhanced Outpatient Program, Treatment and Program Space—Preliminary Plans.....	250,000
(18)	61.22.006-Chuckawalla Valley State Prison, Blythe: Wastewater Treatment Plant Improvements—Preliminary plans.....	455,000
(19)	61.23.004-California State Prison, Corcoran, Corcoran: Wastewater Treatment Plant Improvements—Working drawings.....	264,000
(20)	61.30.004-Centinela State Prison, Imperial: Wastewater Treatment Plant Upgrades—Working drawings.....	548,000
(21)	61.33.003-High Desert State Prison/California Correctional Center, Susanville: Arsenic Removal from Potable Water Supply—Construction.....	8,414,000
(23)	61.35.010-Salinas Valley State Prison, Soledad: Intermediate Care Facility—Working drawings and construction.....	8,491,000
(24.5)	61.35.012-Salinas Valley State Prison, Soledad: Intermediate Care Facility—Preliminary Plans.....	7,905,000
(25)	61.39.003-Kern Valley State Prison, Kern: Arsenic Removal Water Treatment System—Construction....	2,477,000
(26)	61.47.005-California State Prison, Sacramento, Represa: Acute Mental Health Facility—Preliminary Plans.....	14,972,000
(27)	61.47.006-California State Prison, Sacramento, Represa: Intermediate Care Facility—Preliminary Plans....	7,114,000
(28)	61.47.007-California State Prison, Sacramento, Represa: Enhanced Outpatient Program, Treatment and Program Space—Preliminary Plans.....	250,000

Provisions:

1. The funds appropriated in Schedule (3) 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 2007–08 or 2008–09 Budget Act, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2007–08 and 2008–09 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. Funds appropriated in Schedule (16) include \$5,000,000 in one-time funding for Division of Juvenile Justice facilities renovations to comply with the Farrell lawsuit.
4. Funds appropriated in Schedule (18) are to be utilized for rehabilitating the existing trickling filter technology pending approval of a wastewater discharge permit waiver. If no wastewater discharge permit waiver is issued to the department, pending Public Works Board approval, the funds are to be utilized towards a

new wastewater treatment system capable of meeting the wastewater discharge requirements.  
 5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 38,000,000  
 Schedule:

(1) 61.22.004-Chuckawalla Valley State Prison, Blythe: Heating, Ventilation, and Air-Conditioning System—Construction..... 38,000,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond-anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the 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 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 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 (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 provision is declaratory of existing law.

5225-301-0751—For capital outlay, Department of Corrections and Rehabilitation, payable from 1990 Prison Construction Bond Fund..... 1,491,000

Schedule:

(1) 61.31.002-Pleasant Valley State Prison, Coalinga: Bar Screen, Prelift Station—Construction..... 1,491,000

5225-485—Reappropriation (Proposition 98), Department of Corrections and Rehabilitation. The sum of \$224,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purpose:

0001—General Fund

(1) \$224,000 to the Department of Corrections and Rehabilitation to fund population increases in juvenile education in the 2005–06 fiscal year.

5225-490—Reappropriation, Department of Corrections and Rehabilitation. 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 expenditure or encumbrance as cited below:

0001—General Fund

(1) Item 5225-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

(a) The balance of the funds appropriated for the support, development, implementation, and maintenance of the Parole Law Enforcement Automated Data System is reappropriated for that purpose and shall be available for expenditure or encumbrance until June 30, 2007.

(b) The balance of the funds appropriated for continued implementation of the Business Information System is reappropriated for that purpose and shall be available for expenditure or encumbrance until June 30, 2007.

- (c) The balance of the funds appropriated for the purpose of the design and development of curricula for the training identified in the training needs assessment, and conducting staff training, is reappropriated for that purpose and shall be available for expenditure or encumbrance until June 30, 2007.

0890—Federal Trust Fund

- (1) Item 5430-109-0890, Budget Act of 2001 (Ch. 106, Stats. 2001), for the purpose of constructing and expanding local corrections facilities, is reappropriated for that purpose and shall be available for expenditure or encumbrance until September 30, 2007.

5225-491—Reappropriation, Department of Corrections and Rehabilitation. 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:

0001—General Fund

- (1) Item 5225-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
  - (3) 60.26.145-Northern California Youth Correctional Facility: Blast Chiller—Preliminary plans and working drawings
  - (8) 61.03.023-California Correctional Center, Susanville: Wastewater Treatment Plant Modifications—Acquisition
- (2) Item 5240-301-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)
  - (6) 61.15.027-California Rehabilitation Center, Norco: Potable Water System Improvements—Construction
- (3) Item 5240-302-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), as reappropriated by Item 5240-490, Budget Act of 1999 (Ch. 50, Stats. 1999), Item 5240-490, Budget Act of 2000 (Ch. 52, Stats. 2000), Item 5240-490, Budget Act of 2001 (Ch. 106, Stats. 2001), Item 5240-490, Budget Act of 2002 (Ch. 379, Stats. 2002), and Item 5240-492, Budget Act of 2003 (Ch. 157, Stats. 2003)
  - (1) 61.01.759-Statewide Habitat Conservation Plan

0660—Public Buildings Construction Fund

- (1) Item 5225-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) 61.04.040-California Correctional Institution, Tehachapi: Wastewater Treatment Plant Renovation—Working drawings and construction
- (4) 61.35.007-Salinas Valley State Prison, Soledad: 64 Bed Mental Health Facility—Preliminary plans, working drawings, and construction
- (2) Item 5240-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)
- (5) 61.47.002-California State Prison, Sacramento, Represa: Psychiatric Services Unit/Enhanced Outpatient Care, Phase II—Construction

5225-495—Reversion, Department of Corrections and Rehabilitation, Proposition 98. The following amount 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) \$224,000 from Item 5460-011-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)

5225-496—Reversion, Department of Corrections and Rehabilitation. As of June 30, 2006, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balance from which the appropriation was made:

0001—General Fund

- (1) Item 5225-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) 60.01.130-Statewide: Install Fire Protection Sprinkler System—Preliminary plans
- (22) 61.39.003-Kern Valley State Prison, Kern: Arsenic Removal Water Treatment System—Construction

0660—Public Building Construction Fund

- (1) Item 5225-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (1) 61.22.004-Chuckawalla Valley State Prison, Blythe: Heating, Ventilation, and Air Conditioning System—Construction

0751—1990 Prison Construction Fund

- (1) Item 5225-301-0751, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

- (1) 61.31.002-Pleasant Valley State Prison,  
Coalinga: Bar Screen, Prelift Station—Construction

EDUCATION

6110-001-0001—For support of Department of Education..... 47,816,000

Schedule:

- (1) 10-Instruction..... 57,831,000
- (2) 20-Instructional Support..... 99,661,000
- (3) 30-Special Programs..... 55,985,000
- (4) 40-Executive Management and  
Special Services..... 9,178,000
- (5) 50-State Board of Education..... 0
- (6) 42.01-Department Management and  
Special Services..... 31,810,000
- (7) 42.02-Distributed Department  
Management and Special Ser-  
vices..... -31,810,000
- (8) Reimbursements..... -18,163,000
- (9) Amount payable from Federal  
Trust Fund (Item 6110-001-  
0890)..... -156,280,000
- (10) Amount payable from Mental  
Health Services Fund (Item 6110-  
001-3085)..... -396,000

Provisions:

1. An amount equal to or greater than the amount appropriated in Schedule (5) shall be available for support of the State Board of Education 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 State Board of Education. 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 State Board of Education-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 as-



- sessments or (b) a compilation of information on private schools with five or fewer pupils.
3. 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 California Victim Compensation and Government Claims Board.
  4. The funds appropriated in this item may not be expended for any REACH program.
  5. 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.
  6. 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.
7. Of the funds appropriated in this item, no less than \$2,074,000 is available for support of Child Care Services, including state preschool.
  8. Of the funds appropriated in this item: (a) \$360,000 is for the purpose of providing the STAR Program and HSEE Program each with two staff members possessing psychometric and test development expertise; and (b) \$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.
  9. 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.
  10. 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.
  11. Of the funds appropriated in this item, \$858,000, as subsequently adjusted for employee compensation, 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.
  12. By October 31, 2006, the State Department of Education (SDE) 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, 2007, the SDE 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.

13. On or before April 15, 2007, 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.
14. 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, March 31, and May 31 of each year, regarding the amount of Proposition 98 savings estimated to be available for reversion by June 30 of that year.
15. 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.
16. 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.
17. 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.

18. Of the funds appropriated in this item, \$2,625,000 is provided on a one-time basis for legal representation from the Attorney General's office in litigation related to the High School Exit Examination. The State Department of Education (SDE) shall provide a report to the Department of Finance and the Legislature detailing the expenditures of these funds and providing an update on any such litigation on November 1, 2006, and every four months thereafter, with the final report due on June 30, 2007. The office of the Attorney General shall provide the SDE any information, including budget and expenditure data, necessary for the SDE to complete its reports to the Department of Finance and the Legislature.
19. 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.
21. Of the funds appropriated in this item, \$940,000 and 1.0 position is to support state operations related to the development of a longitudinal database for the requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110).
22. (a) Notwithstanding any other provision of law, and in lieu of the amount that otherwise would have been appropriated for support of the State Department of Education pursuant to Section 8483.55 of the Education Code, of the funds appropriated in this item, \$2,616,000 is available for support of the After School Education and Safety (ASES) Program.
  - (b) (1) Of the amount specified in (a), \$300,000 shall be available for the first year of a five-year evaluation of the effectiveness of the before and after school programs. A preliminary report shall be submitted to the Administration and the Legislature by October 1, 2008, that shall provide baseline data, including, but not limited to, the following: (i) the partici-

- pation rates of local educational agencies; (ii) the attendance rates of students; (iii) the number of sites participating in the program; and (iv) local partnerships.
- (2) A final report shall be submitted to the Administration and the Legislature by October 1, 2011. The final report shall include, but not be limited to, the following: (i) updated data on the measures specified in paragraph (1); (ii) the prevalence and frequency of activities included in funded programs; (iii) changes in student academic performance as measured by the results of the California Standards Tests in English/language arts and mathematics; and (iv) improvement in the English language proficiency of participating students as measured by the results of the California English Language Development Test.
- (c) Of the amount specified in (a), \$95,000 shall be used to reimburse the Office of the Secretary for Education for a position to advise the Administration on before and after school issues.
23. Of the reimbursement funds appropriated in this item, \$200,000 shall be available to the State Department of Education (SDE) to contract for assistance in developing an approved listing of food items that complies with the nutrition standards of Chapter 235 of the Statutes of 2005. In order to fund the development and maintenance of the approved product listing, the SDE shall collect a fee, as it deems appropriate, from vendors seeking to have their product reviewed for potential placement on the approved product listing.
24. Of the funds appropriated in this item, \$159,000 shall only be available to support a \$159,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
25. Of the amount appropriated in this item, \$139,000 from reimbursement funds may be expended for first year costs to administer the Education Technology K-12 Voucher Program

- pursuant to the Microsoft settlement. These funds shall not be expended until the court system has made a final judgment on the settlement and the funds are made available to the department.
26. Of the funds appropriated in this item, \$934,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.
  28. Of the funds appropriated in this item, \$174,000 is available to fund 2.0 positions, until December 31, 2007, to process reimbursement claims and to maintain records related to the California Fresh Start Pilot Program.
  29. Of the funds appropriated in this item, \$174,000 shall be allocated by the State Department of Education to the California State University, San Bernardino, Center for the Study of Correctional Education, for education monitoring of, and technical assistance for, the Department of Corrections and Rehabilitation, Division of Juvenile Facilities pursuant to Chapter 536 of the Statutes of 2001.
  31. Of the funds appropriated in this item, \$1,400,000 is for the purpose of providing one-time funds to cover transition costs associated with the resolution of additional, unanticipated cases by the Office of Administrative Hearings during the 2005–06 fiscal year. These funds shall be expended only after the development of an expenditure plan by the State Department of Education, which must be approved by the Department of Finance. The expenditure plan shall include all of the following:
    - (a) The number of cases estimated in the interagency agreement between the Office of Administrative Hearings and the State Department of Education for the 2005–06 fiscal year.
    - (b) The number of additional cases resolved by the Office of Administrative Hearings during the 2005–06 fiscal year.
    - (c) The average costs of additional cases resolved by the Office of Administrative Hearings during the 2005–06 fiscal year.

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.....	1,156,000
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.....	899,000
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.....	6,772,000
6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund.....	156,280,000

Provisions:

1. The funds appropriated in this item include federal Vocational Education Act funds for the 2005–06 fiscal year to be transferred to 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 4.0 positions for this purpose.
5. Of the funds appropriated in this item, \$318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers.
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 2006–07 fiscal year, 1.0 education program consultant position shall support fiscal issues pertaining to charter schools.
7. (a) Of the funds appropriated in this item, \$10,105,000 is from the Child Care and Development Block Grant Fund and is available for support of Child Care Services. Of this amount, \$737,000 is for 6.0 positions within the SDE to address compliance monitoring and overpayments, which may contribute to early detection of fraud. The State Department of Education (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.
  - (b) As a condition of receiving the resources specified in subdivision (a) of this provision, 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, \$2,083,000 shall be used for administration of the Enhancing Education Through Technology Grant Program. Of this amount:
    - (a) \$686,000 is available only for contracted technical support and evaluation services. \$278,000 of this amount is available from one-time carryover funds.
  9. Of the funds appropriated in this item, \$9,206,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program. The State Department of Education shall ensure that the following information is included in the quarterly reports that the contractor submits on the results of its dispute resolution services:
    - (a) The total number of cases won by each side.
    - (b) The number of issues decided in favor of each side in split decisions.
    - (c) How often schools and parents were represented by attorneys.
    - (d) How many prehearing motions were filed by each side.
    - (e) Which side won most of the prehearing motions.
    - (f) How many parent requests for due process were dismissed for insufficiency.
    - (g) How often pupils of color accessed the system.
    - (h) How often non-English-speaking people used the system.
    - (i) How long the hearings took.
    - (j) How much of each hearing, on average, was consumed by the parent's presentation of his or her case.
    - (k) How much of each hearing, on average, was consumed by the district's presentation of its case.

- (l) How many of the hearing requests were from parents.
  - (m) How many of the hearing requests were from school districts.
  - (n) How many witnesses school districts called on average.
  - (o) How many witnesses parents called on average.
  - (p) From which districts parent requests for due process came.
  - (q) What issues, within special education, generated due process hearing requests during the quarter.
  - (r) What disabilities generated due process hearing requests during the quarter.
  - (s) What age groups (preschool, primary, junior high, high school) generated hearing requests during the quarter.
  - (t) How many hearing decisions were appealed to court during the quarter.
  - (u) How many cases were totally resolved in mediation by agreement.
  - (v) How many cases were totally resolved in the mandatory resolution session.
- 9.5. Quarterly reports required by Provision 9 and Section 56504.5 of the Education Code shall reflect year-to-date data and final year-end data.
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, 2006. 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, \$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, 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.
15. 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. The State Department of Education shall inform the Department of Finance and the Legislature by February 15, 2007, on the use of these funds and the status of these efforts.
16. 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.
17. Of the appropriated funds in this item, \$668,000 is for the State Department of Education to continue developing a comprehensive strategy to address data reporting requirements associated with the federal No Child Left Behind Act of

- 2001 (P.L. 107-110), and to support 5.0 positions to assist with this task.
18. Of the funds appropriated in this item, \$600,000 is provided for the final year of a three-year evaluation of the High Priority Schools Grant Program pursuant to Chapter 42 of the Statutes of 2002.
  19. 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 federal No Child Left Behind Act of 2001 (P.L. 107-110).
  20. 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 (SDE) Web site, which shall allow local educational agencies to submit, locate, and access locally translated parental documents and may include documents that the SDE is responsible for translating. The funding shall also be used to fund 1.0 position to manage the development and maintenance of the Internet clearinghouse site. The addition of an electronic clearinghouse for locally translated documents to the SDE'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.
  21. Of the amount appropriated in this item, \$832,000 (\$600,000 reimbursements and \$232,000 federal special education funds) shall be used to fund 6.0 positions and implement the provisions of Chapter 914 of the Statutes of 2004 for increased monitoring of nonpublic, nonsecular schools.
  23. 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.
24. Of the funds appropriated in this item, \$2,000,000 from federal Title I funds shall be available for the State Department of Education to contract for the second year of a three-year independent evaluation to determine whether California has met the assessment requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110). The expenditure of these funds shall be consistent with the expenditure plan and request for proposal approved by the State Board of Education and the Department of Finance.
25. (a) Prior to expenditure of the funds pursuant to subdivision (b), the State Department of Education (SDE) shall build upon preexisting, 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 to school districts to help them comply with parental notification requirements under state and federal law.
- (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. 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 Office of the Secretary for Education, 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 lan-

- guages 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 10 individuals, with no more than one person from each state level entity.
26. Of the funds appropriated in this item, \$3,199,000 shall be used to implement the Child Nutrition Information and Payment System.
  27. Of the funds appropriated in this item, \$2,295,000 shall be used for the administration of the 21st Century Community Learning Centers Program.
  28. Of the funds appropriated in this item, \$288,000 shall be used to fund 3.0 limited-term information technology positions to meet critical federal special education reporting requirements.
  29. Of the funds appropriated in this item, \$100,000 shall be made available to the Office of the Secretary for Education for state operation costs associated with federal and state accountability activities.
  30. Of the funds appropriated in this item, \$159,000 in federal Carl D. Perkins Vocational Technical Education Act funding shall only be available to support a \$159,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
  31. Of the funds appropriated in this item, \$400,000 is available from one-time carryover funds to support Clearinghouse for Multilingual Documents activities.
  32. Of the funds appropriated in this item, \$500,000 is to evaluate the effectiveness of the state's use of School Assistance Intervention Teams. By September 30, 2006, the Superintendent of Public Instruction shall develop, and the State Board of Education shall approve, guidelines for a request for proposal for an independent evaluation of the school assistance and intervention team (SAIT) process as described in Sections 52055.51 and 52055.650 of the Education

Code. By March 1, 2007, the Superintendent of Public Instruction shall contract with an independent evaluator to prepare a comprehensive evaluation of the implementation, impact, costs, and benefits of the SAIT process for state-monitored schools. The results of the evaluation shall be disseminated to the Legislature, the Governor, and other interested parties no later than June 30, 2008. The evaluation shall include recommendations for necessary or desirable modifications to the program.

33. Of the amount appropriated in this item, \$100,000 is available for an interagency agreement with the California Career Resource Network to develop career resource materials and information pursuant to Provision 1 of Item 6330-001-0001.
34. Of the amount appropriated in this item, \$98,000 is available from one-time funds for providing training and technical assistance to local educational agencies implementing local wellness policies.
35. Of the amount appropriated in this item, \$273,000 is available from one-time federal funds to support efforts that directly certify eligible pupils from public benefit programs for free and reduced-price school meal programs.
36. Of the funds appropriated in this item, \$654,000 is for the Statewide Longitudinal Data System Grant, of which \$350,000 is available for an interagency agreement with the California School Information Services for programming costs to enhance the usability of the electronic transfer of student transcripts and \$292,000 is available for an interagency agreement with the California Community Colleges Chancellor's Office for Phase 2 development of the CCCTRAN.
37. Of the funds appropriated in this item, \$75,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the Commission on Teacher Credentialing for the development of a language examination template and its application to several specific language examinations. After creating the template, the Filipino language shall be given priority for specific examination development, followed by the Hmong, Cantonese, Ar-

- menian, Khmer, Arabic, and Farsi languages, in that order, although test development may occur simultaneously.
38. Of the funds appropriated in this item, \$100,000 is available on a one-time basis from federal Title II carryover funds for a professional development conference for mathematics teachers. The conferences shall focus on improving mathematics teachers' instructional strategies and content knowledge of algebra. The conference shall involve the Mathematics Subject Matter Projects, the Mathematics Curriculum and Instruction Steering Committee, the California Mathematics Council, and WestEd. To assist in the conduct of the conference, the State Department of Education may contract for services.
  39. Of the funds appropriated in this item, \$200,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the Commission on Teacher Credentialing for (a) reviewing the standards for special education teacher preparation programs and revising those programs to include outcome-based performance measures that can be tracked annually and (b) reviewing the requirements of Education Specialist credentials and recommending revisions that would better ensure that special education teacher candidates achieve teaching competence and are not required to engage in unproductive activities.
  40. Of the funds appropriated in this item, \$450,000 is available on a one-time basis from federal Title II carryover funds to implement a No Child Left Behind monitoring, interventions, and sanctions program to oversee California's compliance with federal teacher quality standards. The State Department of Education shall conduct regional workshops, make site visits, and work with special education and alternative school programs to design and implement a multiple-subject high objective uniform state standards of evaluation process for secondary teachers who teach multiple subjects.
  41. Of the funds appropriated in this item, \$500,000 is available on a one-time basis from federal Title II carryover funds to provide training to teachers who are preparing to take examinations



leading to an authorization to teach English learners. This training shall be provided by the State Bilingual Teacher Training Program centers established by Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code.

42. Of the funds appropriated in this item, \$500,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the Commission on Teacher Credentialing to implement the Teaching Performance Assessment pursuant to legislation enacted in the 2005-06 Regular Session.
43. Of the funds appropriated in this item, \$686,000 is available on a one-time basis from federal Title II carryover funds for the State Department of Education to fund one Associate Governmental Program Analyst position and other costs associated with the development of the Teacher Database System. In addition, \$252,000 is available for an interagency agreement with the Commission on Teacher Credentialing to support one Staff Information Systems Analyst, one Senior Information Systems Analyst, 0.5 Associate Governmental Program Analyst, and other costs associated with the development of the Teacher Database System.
44. Of the funds appropriated in this item, \$1,000,000 is available on a one-time basis from federal Title II carryover funds for the State Department of Education, in consultation with the Commission on Teacher Credentialing, to contract for an external evaluation of teacher intern and induction programs, including the university intern program, district intern program, and California Beginning Teacher Support and Assessment program. On or before December 1, 2007, the report shall be submitted to the Legislature and the Governor. To the full extent possible, the State Department of Education and the commission shall make existing data available to the external evaluator conducting the study. The report, at a minimum, shall do all of the following:
  - (a) Determine whether local induction programs are meeting the objectives of paragraphs (1) to (10), inclusive, of subdivision (b) of Sec-

- tion 44279.1 of the Education Code and recommend improved means to ensure that these objectives are met in the future.
- (b) Determine whether university and district intern programs are meeting the purposes specified in Section 44382 of the Education Code and recommend improved means to ensure that these purposes are met in the future.
  - (c) Recommend revisions to laws, regulations, and policies to eliminate duplicative requirements between teacher preparation, intern, and teacher induction programs and streamline and better coordinate support services for beginning teachers.
  - (d) Recommend revisions to the system to ensure that teacher credential candidates and interns achieve teaching competence and are not required to engage in unproductive activities.
  - (e) Recommend ways to ensure that beginning teachers receive direct assistance from experienced teachers.
  - (f) Recommend ways to ensure that beginning teachers receive assistance, as appropriate, to help them address the needs of special populations of students, especially English learners and special education students.
  - (g) Recommend state and regional administrative structures that will improve service to and support of beginning teachers.
45. Of the funds appropriated in this item, \$1,232,000 is available on a one-time basis from federal Title II carryover funds for state-level professional development activities.
46. The State Department of Education shall allocate an amount not to exceed \$127,000 in federal special education funding carryover from prior years to the California State University, San Bernardino, Center for the Study of Correctional Education, for education monitoring of, and technical assistance for, the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, pursuant to Chapter 536 of the Statutes of 2001.

<p>6110-001-3085—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Mental Health Services Fund.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item are for the final year for three 2-year limited-term positions to develop and disseminate training for local educational agencies to identify and provide appropriate response and support to students with severe mental illness pursuant to Proposition 63.</p>	<p>396,000</p>
<p>6110-001-6044—For support of Department of Education, Program 20.30-Administrative Services to local educational agencies, payable from the 2004 State School Facilities Fund.....</p> <p>Provisions:</p> <p>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.</p>	<p>2,516,000</p>
<p>6110-002-0001—For support of the Department of Education, for rental payments on lease-revenue bonds....</p> <p>Schedule:</p> <p>(1) Base Rental and Fees..... 115,000</p> <p>(2) Insurance..... 3,000</p> <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 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.</p>	<p>118,000</p>
<p>6110-003-0001—For support of Department of Education, Program 20.30.020-Instructional Support, Standardized Account Code Structure.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item shall be used only for the direct costs to administer the Standardized Account Code Structure program, to assist any school district or county office of education in financial distress or bankruptcy, to</p>	<p>1,089,000</p>

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.... 34,483,000  
Schedule:

- (1) 10.60.040-Instruction..... 34,846,000
  - (a) 10.60.040.001 -  
School for the  
Blind, Fremont..... 5,197,000
  - (b) 10.60.040.002 -  
School for the  
Deaf, Fremont..... 15,967,000
  - (c) 10.60.040.003 -  
School for the  
Deaf, Riverside..... 13,682,000

(2) Reimbursements..... -363,000  
Provisions:

- 1. The State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont shall provide a four-week extended session.
- 2. Of the funds appropriated in Schedule (1), \$117,000, on a one-time basis, shall be used to contract for a data resource specialist and system implementation assistance.

6110-006-0001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools..... 43,177,000  
Schedule:

- (1) 10.60.040-Instruction, State Special  
Schools..... 48,715,000
  - (a) 10.60.040.001 -  
School for the  
Blind, Fremont..... 6,075,000
  - (b) 10.60.040.002 -  
School for the  
Deaf, Fremont..... 16,807,000
  - (c) 10.60.040.003 -  
School for the  
Deaf, Riverside..... 14,561,000
  - (d) 10.60.040.007-Di-  
agnostic Centers.... 11,272,000

(2) Reimbursements..... -5,538,000  
Provisions:

1. On or before September 15 of each year, the superintendent of each State Special School shall report to each school district the number of pupils from that district who are attending a State Special School and the estimated payment due on behalf of the district for those pupils pursuant to Section 59300 of the Education Code. The Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district, as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be transferred from the State School Fund to this item. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the Controller the information needed to make the adjustment. The payments by the Controller that result from this yearend adjustment shall be applied to the current year.
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.
3. Of the funds appropriated in Schedule (1)(c) of this item, \$117,000 is provided for 1.0 teacher specialist position.
4. Of the funds appropriated in Schedule (1)(c) of this item, \$285,000 is provided for 3.0 early childhood education teachers.
5. Of the funds appropriated in Schedule (1)(c) of this item, \$47,000 is provided for a 0.5 visual performing arts position.

6110-007-0001—For support of Department of Education, Program 20.20.010-Instructional Materials Management and Distribution—Curriculum Frameworks and Instructional Materials.....  
Provisions:

124,000

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.....	2,452,000
Schedule:	
(1) 10.60.040-Instruction—State Special Schools.....	2,452,000
Provisions:	
1. Funds appropriated in this item are in lieu of funds that otherwise would be transferred from the General Fund to Section A of the State School Fund in accordance with Sections 14007 and 41301.5 of the Education Code.	
6110-015-0001—For support of Department of Education, Program 20.20.020-Instructional Materials Management and Distribution.....	495,000
Provisions:	
1. Funds appropriated in this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 2006–07 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
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 (CSIS) Program, payable from the Educational Telecommunication Fund.....	23,046,000

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 2005–06 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, \$828,000 is to be provided to non-CSIS participating school districts for support of maintenance of individual student identifiers.
4. Of the funds appropriated in this item, \$1,360,000 is available for second year costs of the existing cohort.
5. Of the amount appropriated in this item, \$20,000,000 is available for expenditure by June 30, 2008, to provide funds to districts that have not previously received funding through CSIS. Funds will be allocated pursuant to Section 49084 of the Education Code for activities consistent with an implementation plan developed by CSIS, to be jointly approved by the Department of Education, the Department of Finance, and the Office of the Secretary for Education, in consultation with the Legislative Analyst’s Office.

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, 2007, 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 2006–07 fiscal year.

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..... 2,619,000

Provisions:

1. The funds appropriated in this item include a one-time carryover of \$820,000, available for the support of additional service learning activities during the 2006–07 fiscal year.

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..... 12,028,000

Provisions:

1. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds appropriated in this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the 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, 2007, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprenticeship program during the 2005–06 fiscal year, with information to be provided by the school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the State Department of Education, school districts, and county offices of education. In addition, the report shall identify the hours of related and supplemental instruction proposed



for the 2005–06 and 2006–07 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, 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, \$929,000 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 2007–08 fiscal year.

6110-103-0890—For local assistance, Department of Education, Program 40.20.030.003-Robert C. Byrd Honors Scholarship Program, payable from the Federal Trust Fund.....	5,127,000
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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.....	312,437,000
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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..... 178,027,000

- (2) 10.10.011.009-School Apportionments, for Supplemental Instruction, Retained, or Recommended for Retention, Grades 2–9 for the purposes of Section 37252.2 of the Education Code, as applicable..... 43,001,000
- (3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR-Grades 2–6 for the purposes of Sections 37252.6 and 37252.8 of the Education Code..... 16,454,000
- (4) 10.10.011.011-School Apportionments, for Supplemental Instruction, Core Academic K–12 for the purposes of Section 37253 of the Education Code..... 74,955,000

Provisions:

- 1. Notwithstanding any other provision of law, for the 2006–07 fiscal year, the Superintendent of Public Instruction shall allocate a minimum of \$8,337 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 2006–07 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 2006–07 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’s or charter school’s enrollment multiplied by 120 hours, multiplied by the hourly rate for the 2006–07 fiscal year.
- 3. Notwithstanding any other provision of law, the rate of reimbursement shall be \$3.90 per hour of supplemental instruction.
- 4. Notwithstanding any other provision of law, if the funds in this item are insufficient to fund otherwise valid claims, the Superintendent of

Public Instruction shall adjust the rates to conform to available funds.

- 5. Of the funds appropriated in this item, \$21,006,000 is for the purpose of providing a cost-of-living adjustment of 5.92 percent.
- 6. 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 mandated reimbursement claims by the amount of funding provided to them from this item.
- 7. Notwithstanding any other provision of law, an additional \$90,117,000 in expenditures for this item has been deferred until the 2007–08 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..... 417,978,000

Schedule:

- (1) 10.10.004-Instruction Program—  
School Apportionments, Regional  
Occupational Centers and Pro-  
grams..... 425,295,000
- (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 2006–07 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 programs for incentive funding for a longer instructional year under Section 46200 of the Education Code was not carried out. It is the intent of the Legislature that regional occupational centers and programs not be eligible for that incentive funding.  
Notwithstanding any other provision of law, the funds appropriated in this item may not be expended for the purposes of providing or continuing incentive funding for a longer instructional year pursuant to Section 46200 of the Education Code.
4. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in welfare-to-work activities under the CalWORKS program established in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code may be appropriated on an advance basis to local 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.
5. Of the amount appropriated in this item, \$1,161,000 is to fund remedial educational services for participants in welfare-to-work activities under the CalWORKS program.
6. Of the funds appropriated in this item, \$11,358,000 is provided for increases in average daily attendance at a rate of 2.70 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$25,576,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
7. An additional \$39,630,000 in expenditures for this item has been deferred until the 2007–08 fiscal year.

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight..... 11,174,000

Schedule:

- (1) 10.10.002-COE Oversight..... 5,268,000
- (2) 10.10.005-FCMAT..... 3,354,000
- (3) 10.10.012-FCMAT: CSIS..... 250,000
- (4) 10.10.013-Audit Appeal Panel..... 55,000
- (5) 10.10.015-Interim Reporting..... 1,050,000
- (6) 10.10.016-Staff Development..... 1,197,000

Provisions:

1. Funds appropriated in Schedule (1) are for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991.
2. Funds appropriated in Schedule (1) may be used by county offices of education for activities including, but not limited to, conducting reviews, examinations, and audits of districts and providing at least annual written notifications regarding the fiscal solvency of districts under fiscal distress, pursuant to Section 42127.6 of the Education Code, or of districts with disapproved budgets, or qualified or negative certifications. Written notifications regarding review, examination, and audit results 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. 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 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):
  - (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 and to meet the costs of participation under Section 42127.8 of the Education Code.
- (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 educational 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 educational agencies and the public.
5. Of the funds appropriated in Schedule (3), \$250,000 shall be available to the Fiscal Crisis and Management Assistance Team to pay for project management services for the California School Information Services (CSIS) Program. These funds shall be used to supplement and not supplant other CSIS funds available for project management services.
  6. Funds appropriated in Schedule (4) are for the additional staff and resources needed for the Fiscal Crisis and Management Assistance Team to ensure that timely resolution of audit findings is achieved pursuant to the directives of Section 41344 of the Education Code.
  7. Of the funds appropriated in Schedule (5):
    - (a) \$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 sub-

- sequent fiscal years, or districts with disapproved budgets.
- (b) Up to \$900,000 of the funds may be used to fully reimburse county office of education activities for extraordinary costs of audits, examinations, or reviews of any school district or charter school in cases where fraud, misappropriation of funds or other illegal fiscal practices require review by the county offices of education, pursuant to Section 2 of Chapter 620 of the Statutes of 2001 and Section 1 of Chapter 357 of the Statutes of 2005. 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 oversight responsibility. Allocation of the funds shall be administered by the Fiscal Crisis and Management Assistance Team 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) shall remain available for expenditure for the 2006–07 and 2007–08 fiscal years. Any unexpended balance as of September 1, 2007, shall be available until July 30, 2008, for the following, in order of descending priority:
- (a) Any review or audit jointly requested by the State Department of Education and the Department of Finance, to be conducted by a county superintendent of schools in cases where fraud, misappropriation of funds, or other illegal fiscal practices are suspected.
  - (b) Staff development pursuant to Provision 10.
  - (c) Regional assistance teams developed pursuant to Provision 4(b).
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 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 joint committee, or his or her designee, may in each instance determine.
10. Of the funds appropriated in Schedule (6):
    - (a) \$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. 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 the Fiscal Crisis and Management Assistance Team's responsibilities with respect to these funds.
    - (b) \$343,000 of the funds appropriated in Schedule (6) is for the purpose of providing training that shall be developed and facilitated pursuant to Section 42127.8 of the Education Code to increase school district and school-level capacity to implement and manage site-based budgeting and decision-making governance structures.
  11. Notwithstanding any other provision of law, funds appropriated in Schedules (1), (2), (4), (5), and (6) 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 responsibilities shall be allocated by the 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 educational 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 allo-



cations in this item, identifying estimated expenditures for each LEA anticipated to be served. This report shall be submitted to the State Department of Education and to the Department of Finance by October 1, 2006.

6110-108-0001—For local assistance, Department of Education (Proposition 98), for grades 9 to 12 school counselors..... 75,000,000

Provisions:

1. Of the funds appropriated in this item, \$75,000,000 shall be available to grades 9 to 12, inclusive, to increase the number of counselors in schools.
2. The appropriation in this item is contingent upon the enactment of legislation during the 2005–06 Regular Session that supplements, not supplants, the number of school counselors that serve students in grades 9 to 12, inclusive, and that gives priority to serving students who have failed or are at risk of failing the California High School Exit Examination, or who risk not graduating due to insufficient credits.

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..... 549,841,000

Schedule:

- (1) 10.10.006-Pupil Transportation.... 544,343,000
- (2) 10.10.008-Small School District Bus Replacement..... 5,498,000

Provisions:

1. Of the funds appropriated in this item, \$33,670,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 5.92 percent.
2. An additional \$52,583,000 in expenditures for this item has been deferred until the 2007–08 fiscal year.

6110-112-0890—For local assistance, Department of Education, Program 20.60.036-Public Charter Schools, payable from the Federal Trust Fund..... 23,869,000

Provisions:

- 1. Of the funds appropriated in this item, an amount of up to \$422,000 may be transferred to Item 6110-001-0890 to be used for state operations purposes relating to federal charter school grants.
- 6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program..... 91,545,000

Schedule:

- (1) 20.70.030.005-Assessment Review and Reporting..... 2,313,000
- (2) 20.70.030.006-STAR Program..... 65,433,000
- (3) 20.70.030.007-English Language Development Assessment..... 10,056,000
- (4) 20.70.030.008-High School Exit Examination..... 13,743,000
- (5) 20.70.030.015-California High School Proficiency Examination.... 1,020,000
- (6) Reimbursements..... -1,020,000

Provisions:

- 1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code.
- 2. The funds appropriated in Schedule (2) are provided for approved contract and district apportionment costs for the development and administration of the California Standards Test, the national Norm-Referenced Test, the Standards-Based Test in Spanish, the California Alternate Performance Assessment, the Designated Primary Language Test, and the California Modified Assessment, as part of the STAR Program.
- 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 federal No Child Left Behind Act of 2001 (P.L. 107-110) regarding English language learners by the State Department of Education.
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. 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.
  - 4.5. Of the funds appropriated in Schedule (4), \$7,700,000 is for additional administrations of the High School Exit Examination. By April 5, 2007, the State Department of Education shall report to the Legislature on the number of pupils taking the exam during these additional administrations.
  5. 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.
  6. Funds provided to local educational agencies from 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 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. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandated reimbursement claims by the amount of funding provided to them from these schedules.
  8. The funds appropriated in Schedule (2) include one-time funds of \$80,000 to develop a writing

test for the new California Modified Assessment for the STAR Program.

6110-113-0890—For local assistance, Department of Education-Title VI Flexibility and Accountability, payable from the Federal Trust Fund..... 32,778,000  
Schedule:

- (1) 20.60.030.030-Instructional Support: Alternative Schools Accountability Model..... 775,000
- (2) 20.70.030.005-Instructional Support: Assessment Review and Reporting..... 600,000
- (3) 20.70.030.006-Instructional Support: STAR Program..... 8,565,000
- (4) 20.70.030.007-Instructional Support: English Language Development Test..... 11,856,000
- (5) 20.70.030.008-Instructional Support: High School Exit Examination..... 10,638,000
- (6) 20.70.030.029-Instructional Support: High School Exit Examination: Evaluation of Instruction..... 344,000

Provisions:

- 1. Funds appropriated in Schedule (1) are provided for the continued development of the Alternative Schools Accountability Model to include alternative schools within the state’s system of accountability. The department shall report to the Department of Finance and the Legislature by February 15, 2007, on the status of this effort.
- 2. Funds appropriated in Schedule (3) are provided for approved contract and district apportionment costs for the development and administration of the California Standards Test, the national Norm-Referenced Test, the Standards-Based Test in Spanish, the California Modified Assessment, the California Alternate Performance Assessment, and the Designated Primary Language Test, as part of the STAR Program. District apportionments for the California Alternate Performance Assessment shall be \$5 per pupil.
- 3. The funds appropriated in Schedule (4) 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 and Provision 3 of Item 6110-113-0001.
4. Funds appropriated in Schedule (5) are provided for approved contract and district apportionment costs related to the High School Exit Examination, to be used consistent with Provision 4 of Item 6110-113-0001.
  5. Funds appropriated in Schedule (6) 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.
  6. Funds appropriated in Schedule (2) are for providing local educational agencies information regarding federal requirements associated with assessments.
  7. Funds provided to local educational agencies from Schedules (3), (4), and (5) 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 receiving funding from these schedules shall reduce their estimated and actual mandated reimbursement claims by the amount of funding provided to them from these schedules.
  9. Of the funds appropriated in Schedule (4), \$1,400,000 is available for the development, pursuant to legislation effective on or before January 1, 2007, 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. 107-110) which requires assessments of English proficiency to include an assessment of student progress in attaining English reading and writing skills.
  10. Of the funds appropriated in Schedule (4), \$100,000 is available for a study of English learners and special education students who did

not graduate because of California High School Exit Examination requirements. The study shall identify and consider intervention services provided to these students.

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..... 514,000  
Provisions:

- 1. Of the funds appropriated by this item, \$50,000 shall be available to support the California Association of Student Councils.

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..... 18,257,000  
Provisions:

- 1. Of the funds appropriated in this item, \$562,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.

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..... 2,781,000

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..... 5,916,000  
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, \$12,000 is to provide an adjustment for increases in average daily attendance at a rate of 0.21 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil

growth rate to conform to available funds. Additionally, \$331,000 is to provide a cost-of-living adjustment at a rate of 5.92 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) 20.60.030.034-High Priority Schools Grant Program..... 243,209,000
- (2) 20.60.030.036-Corrective Actions..... 6,000,000

Provisions:

1. (a) Funds appropriated in Schedule (1) are provided solely for the purpose of implementing 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. Of these funds, up to \$201,000,000 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. The number of schools invited to participate in the second cohort shall not result in a need for more than \$201,000,000 to fully fund planning and implementation grants for these schools in any given year of their participation in this 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.
2. Pursuant to Chapter 1020 of the Statutes of 2002, the funds appropriated in Schedule (2) shall, upon approval by the State Board of Education, be available to support non-Title I schools

working with school assistance and intervention teams or non-Title I schools subject to state or federal sanctions by the Superintendent of Public Instruction as part of the Immediate Intervention/Underperforming Schools Program or the federal No Child Left Behind Act of 2001 (P.L. 107-110).

6110-123-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 26,925,000  
Schedule:

- (1) 20.60.030.035-Innovative Programs, Title V-ESEA..... 10,766,000
- (2) 20.60.030.038-Comprehensive School Reform Program..... 16,159,000

Provisions:

- 1. The funds appropriated in Schedule (1) are available for local educational agencies and shall be used for innovative assistance programs pursuant to Section 5131 of Title V of Part A of the federal No Child Left Behind Act of 2001 (P.L. 107-110).
- 2. Of the funds appropriated in Schedule (2), \$16,159,000 is provided in one-time carryover funds to support the Comprehensive School Reform Program.

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..... 49,186,000

Provisions:

- 1. An additional \$4,294,000 in expenditures for this purpose has been deferred to the 2007–08 fiscal year.
- 2. Of the funds appropriated in this item, \$2,989,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.

6110-125-0001—For local assistance, Department of Education (Proposition 98)..... 61,137,000  
Schedule:

- (1) 10.40.030.004—Refugee Children School Grant Program..... 1,310,000
- (2) 20.10.006—English Language Learners Program..... 61,137,000
- (3) Reimbursements..... -1,310,000



Provisions:

1. Of the funds appropriated in this item, \$3,417,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.
2. The appropriation of funds in Schedule (2) is authorized pursuant to Chapter 4 (commencing with Section 400) of Part 1 of the Education Code.

6110-125-0890—For local assistance, Department of Education..... 301,974,000

Schedule:

- (1) 10.30.010-Title I, Migrant Education..... 153,526,000
- (3) 20.10.004-Title III, Language Acquisition..... 148,448,000

Provisions:

1. Of the funds appropriated in Schedule (1), the State Department of Education shall use no less than \$6,500,000 and up to \$7,100,000 for the California Mini-Corps Program.
2. The funds appropriated in Schedule (1) include \$29,200,000 in one-time carryover funds to support Migrant Education program activities.

6110-126-0890—For local assistance, Department of Education, Program 20.60.290-Instructional Support, Title I, Part B of the federal Elementary and Secondary Education Act (Reading First Program) payable from the Federal Trust Fund..... 143,837,000

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 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.
5. By May 1, 2007, the State Department of Education shall provide the Legislature with all of the following: (a) the number of school districts receiving grants, (b) the number of K-3 teachers funded, (c) the number of K-12 special education teachers served, and (d) the average per-teacher grant amount.
7. By May 1, 2007, 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.

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..... 952,688,000

Schedule:

(1) 10.30.070.001-Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of the Education Code..... 952,688,000

Provisions:

2. Of the funds appropriated in this item, \$29,343,000 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, \$36,480,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.
3. Pursuant to paragraph (2) of subdivision (b) of Section 47634.1 of the Education Code, charter schools shall receive an in lieu Economic Impact Aid per-pupil funding rate equal to the statewide average Economic Impact Aid per-pupil rate. Funds shall be transferred, as needed, from this item to Item 6110-211-0001 to ensure that charter schools are provided the appropriate in lieu Economic Impact Aid per-pupil rate.
4. On or before January 1, 2007, the State Department of Education shall report to the Legislature and the administration on data specific to English learners and economically disadvantaged students, including data from the results of the California Standards Tests, the California English Language Development Test, and the California High School Exit Examination.

6110-130-0001—For local assistance, Department of Education, Program 20.60.100-Advancement Via Individual Determination..... 9,035,000

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.... 1,760,816,000  
Schedule:

- (1) 10.30.060-Title I-ESEA..... 1,680,283,000
- (2) 10.30.065-McKinney-Vento Homeless Children Education..... 8,409,000
- (3) 10.30.080-Title I-School Improvement..... 72,124,000

Provisions:

- 1. In administering the accountability system required by this item, the State Department of Education shall align the forms, processes, and procedures required of local educational agencies in a manner that they may be utilized for the purposes of implementing the Public 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), \$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), up to \$1,600,000 shall be made available to support school assistance and intervention teams that enter into a contract with a school pursuant to subdivision (a) of Section 52055.51 of the Education Code. These funds shall be allocated in the 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), up to \$22,069,000 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), \$16,180,000 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.
  6. The funds appropriated in Schedule (1) include a one-time carryover from prior years of \$3,500,000, available for the Even Start program.
  7. The funds appropriated in Schedule (2) include a one-time carryover of \$500,000 to support the existing McKinney-Vento Homeless Children Education program.
  9. The funds appropriated in Schedule (1) include a one-time carryover of \$24,300,000 to support the Title I Basic Program.
  10. The funds appropriated in Schedule (3) include a one-time carryover of \$22,275,000 to support the Title I School Improvement program.
- 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..... 56,728,000
- Provisions:
1. The funds appropriated in this item shall be for allocation to local educational 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 educational agencies of this percentage, the Superintendent of

Public Instruction shall submit the calculation to the Department of Finance for verification.

- 3. Of the funds appropriated in this item, \$25,000,000 is to provide professional development to address the needs of teachers of English learners pursuant to legislation to be enacted during the 2005–06 Regular Session that contains improvements to the Mathematics and Reading Professional Development Program, including, but not limited to, revisions to the criteria for providers to ensure that they have adequate experience and qualifications directly related to the needs of English learners.

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.....	1,616,000
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6110-140-0001—For local assistance, Department of Education, (Proposition 98), Program 20-Instructional Support.....	5,094,000
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Schedule:

- (1) 20.80.001-Student Friendly Services..... 500,000
- (2) 20.90.001.020-California School Information Services Administration..... 4,444,000
- (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) for the Student Friendly Services program.
- 2. The funds appropriated in Schedule (2) shall be for allocation to the Fiscal Crisis and Management Assistance Team for costs associated with administration of the California School Information Services 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 (a) CSIS capacity for additional district cohorts, (b) readiness of self-identified districts for participation in new CSIS cohort, (c) CSIS operations budget, and (d) CSIS readiness to implement additional phases of state reporting and records transfer.

- 4. Of the funds appropriated in Schedule (2), \$545,000 is available on a three-year limited-term basis to support positions and administrative costs associated with the implementation plan developed pursuant to Provision 5 of Item 6110-101-0349.

6110-141-0001—For local assistance, State Department of Education (Proposition 98), Program 20.90.001.010-Instructional Support, California School Information Services..... 15,000,000

Provisions:

- 1. Of the funds appropriated in this item, \$15,000,000 is for local educational agency (LEA) incentive grants to build their local capacity to participate in the California Longitudinal Pupil Achievement Data System. These funds will be distributed on a per pupil basis up to \$2.50 per pupil to LEAs that do all of the following: (a) submit their Annual Statewide Student Identifier (SSID) Maintenance by dates specified by the State Department of Education; (b) include the SSID on all statewide assessment answer sheets; (c) resolve SSID anomalies to specified rates; and (d) meet any other data quality standards determined by the State Department of Education. LEAs receiving grant funds must also include the SSID on student academic records once they have the capacity to do so. The State Department of Education shall adopt policies to define specified rates and data quality standards that LEAs must meet to receive funding. LEAs are defined as county offices of education, school districts, charter schools, and the State Special Schools. The State Department of

Education shall calculate the grant based on the certified enrollment count in the year that funding is provided. Small LEAs with enrollment of fewer than 1,000 pupils shall receive a minimum of \$2,500 or 1,000 times the per pupil dollar amount provided to all other LEAs, whichever is less.

6110-144-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.270-Administrator Training Program pursuant to Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of the Education Code..... 5,000,000

6110-150-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.051-American Indian Early Childhood Education Program established pursuant to Chapter 6.5 (commencing with Section 52060) of Part 28 of the Education Code..... 633,000

Provisions:

- 1. Of the amount appropriated in this item, \$35,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.

6110-151-0001—For support of the Department of Education (Proposition 98), Program 10.30.050-American Indian Education Centers established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code..... 4,343,000

Provisions:

- 1. Of the amount appropriated in this item, \$243,000 is to provide a cost-of-living adjustment at a rate of 5.92 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..... 657,571,000

Schedule:

- (1) 10.50.010.001-Adult Education.... 657,571,000
- (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.



4. The funds appropriated in Schedule (2) shall be subject to the following:
  - (a) The funds shall be used only for educational activities for welfare recipient students and those in transition off of welfare. The educational activities shall be limited to those designed to increase self-sufficiency, job training, and work. These 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 the average daily attendance of adult education and regional occupational centers and programs (ROC/Ps) 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:
    - (1) Each local educational agency has met the terms of the interagency agreement between the State Department of Education and the State Department of Social Services pursuant to Provision 2.
    - (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.
  - (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 1.80, 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 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) or any General Fund appropriation made to the State Department of Education specifically for education and training services to welfare recipient students and those in transition off of welfare, local adult education programs and regional occupational centers and programs shall collect program and participant data as described in this item 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, 2006, to June 30, 2007, inclusive.

- 5. Of the funds appropriated in this item, \$16,199,000 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, \$39,318,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
- 6. An additional \$45,896,000 in expenditures for this item has been deferred until the 2007–08 fiscal year.

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust Fund..... 78,868,000  
Provisions:

- 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.

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 (OMB),

Circular No. A-133. The State Department of Education may charge audit costs to applicable federal awards, as authorized by OMB, Circular No. A-133 Section 230(b)(2).

The limited scope audits shall include agreed-upon procedures engagements conducted in accordance with either AICPA generally accepted auditing standards or attestation standards, and address one or more of the following types of compliance requirements: allowed or unallowed activities; allowable costs and cost principles; eligibility; matching; level of effort; earmarking; and reporting.

The State Department of Education shall contract for the limited scope audits with a certified public accountant possessing a valid license to practice within the state or with an independent auditor.

3. On or before March 1, 2007, 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 State Department of Mental Health and State Department of Developmental Services clients are set at a level where these clients will continue to be eligible for adult education services in the 2006–07 fiscal year and beyond to the full extent authorized under federal law. The State Department of Education shall also consult with the State Department of Mental Health, State Department of Developmental Services, and Department of Finance for this purpose.
- 5. The funds appropriated in this item include a one-time carryover of \$4,042,000, available for the support of additional adult education instructional activities and may be used by local providers to upgrade data collection and other software systems to ensure compliance with federal adult education reporting requirements as specified in Public Law 109-77.

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.....  
Provisions:

16,369,000

- 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 2005–06 fiscal year for the Adults in Correctional Facilities program shall be limited to the amount received by the agency

for services provided in the 2004–05 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 2005–06 fiscal year, as compared to the level of services provided in the 2004–05 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 average daily attendance, up to a maximum of 20 additional units of average daily attendance per program.
- 5. Of the funds appropriated in this item, \$383,000 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, \$664,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,140,640,000  
Schedule:

- (1) 10.60.050.003-Special education instruction..... 3,072,996,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 82,039,000
- (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 2006–07 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), \$12,047,000, 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), \$9,196,000, 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 condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
  4. Of the funds appropriated in Schedule (1), \$4,797,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$80,786,000, plus any COLA, shall be available for regionalized program specialist services, \$2,285,000, 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), \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children's institutes.
  6. Of the funds appropriated in Schedule (1), a total of \$185,347,000, 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. Funds available for infant units shall be allocated 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 2006–07 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.
  9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficated entitlements pursuant to Section 56432 of the Education Code and Provision 10 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 2006–07 special education program costs and shall not be used to fund any prior year adjustments, claims or costs.
12. Of the amount provided in Schedule (1), \$169,000, 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), \$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), \$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), 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 Indi-

- viduals with Disabilities Education Improvement Act of 2004.
17. Of the funds appropriated in Schedule (1), up to \$200,000 shall be used for research and training in cross-cultural assessments.
  18. Of the amount specified in Schedule (1), \$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.
  19. Of the amount provided in Schedule (1), \$179,715,000 is provided for a COLA at a rate of 5.92 percent.
  20. Of the amount provided in Schedule (2), \$4,585,000 is provided for a COLA at a rate of 5.92 percent.
  21. Of the amount specified in Schedule (1), \$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 of the 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, 2007, 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 person-

nel 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 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.

- 24. Of the amount appropriated in Schedule (1), \$50,610,000 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 of the Statutes of 1997, consistent with subdivision (b) of Section 56836.158 of the Education Code.
- 25. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).
- 26. Of the amount appropriated in Schedule (1), \$75,000,000 is for an equalization adjustment pursuant to legislation.

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children..... 1,151,367,000

Schedule:

- (1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education..... 975,221,000
- (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.....	70,720,000
(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 \$1,130,940,000, 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 excess of \$1,130,940,000 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 \$1,130,940,000, 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.
4. Of the funds appropriated in Schedule (4) 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 resolution and the local mediation of disputes. This program shall include state-sponsored and local components.

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.
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.
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.
9. Of the funds appropriated in Schedule (4) \$69,000,000 shall be used exclusively to support mental health services that are provided during the 2006-07 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 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 2006–07. 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.

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..... 23,490,000  
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.
2. The Department of Education shall not authorize new partnership academies without the approval of the Department of Finance and 30-day notification to the Joint Legislative Budget Committee.

6110-166-0890—For local assistance, Department of Education, Program 10.70-Vocational Education, payable from the Federal Trust Fund..... 141,177,000  
Provisions:

1. The funds appropriated in this item include federal Vocational Education Act funds for the 2006–07 fiscal year to be transferred to the community colleges by means of interagency agreements for the purpose of funding vocational education programs in community colleges.
2. The State Board of Education and the Board of Governors of the California Community Colleges shall target funds appropriated by this item to provide services to persons participating in welfare-to-work activities under the CalWORKS program.

- 3. The Superintendent of Public Instruction shall report, not later than February 1 of each year, to the Joint Legislative Budget Committee and the Director of Finance, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.
- 4. The funds appropriated in this item include a one-time carryover of \$11,428,000. These funds shall be used during the 2006–07 academic year to support additional vocational education institutional activities, with first priority being given to supporting curriculum development and articulation of K–12 technical preparation 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.....

5,000,000

Provisions:

- 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.

- 2. Of the funds appropriated in this item, \$10,000 is provided for increases in average daily attendance at a rate of 0.21 percent. Additionally, \$279,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.

6110-180-0890—For local assistance, Department of Education, Program 20.10.025-Educational Technology, payable from the Federal Trust Fund..... 34,025,000  
Provisions:

- 1. Of the funds appropriated in this item, \$16,662,000 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, \$16,662,000 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, \$701,000 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.

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..... 17,020,000

Provisions:

2. Of the funds appropriated in this item, \$951,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 5.92 percent.

6110-181-0140—For local assistance, Department of Education, payable from the California Environmental License Plate Fund..... 360,000

Schedule:

- (1) 20.10.055-Environmental Education..... 548,000
- (2) Reimbursements..... -188,000

6110-182-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.030-K-12 High Speed Network..... 4,000,000

Provisions:

2. Expenditure authority of up to \$15,600,000 is provided for the K-12 High Speed Network.
3. Of the amount authorized for expenditure in Provision 2, \$3,000,000 of unexpended cash reserves and \$4,000,000 of unexpended funds set aside for equipment replacement from the following appropriations are available to continue management and operation of the network during the 2006-07 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; and Item 6110-182-0001, Chapter 208, Statutes of 2004.
4. Of the amount authorized for expenditure in Provision 2, \$4,600,000 shall be funded by E-rate and California Teleconnect Fund moneys. The lead educational agency or the Corporation for Education Network Initiatives in California (CENIC), or both, shall submit quarterly reports to the Department of Finance and the Legislature on funds received from E-rate and the California Teleconnect Fund.
5. For the 2006-07 fiscal year, all major subcontracts of the K-12 High Speed Network program shall be excluded from both the eligible program costs on which indirect costs are charged and from the calculation of the indirect cost rate based on that year's data. For purposes of this

provision, a major subcontract is defined as a subcontract for services in an amount in excess of \$25,000.

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..... 34,125,000

Schedule:

(1) 20.10.045-Health and Physical Education, Drug Free Schools..... 34,125,000

Provisions:

1. Local educational agencies shall give priority in the expenditure of the funds appropriated in 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 State Department of Education’s compliance review procedures.
2. Of the funds appropriated in this item, \$2,209,000 is a one-time carryover available to support the existing program.

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..... 269,900,000

Provisions:

1. The funds appropriated in this item shall be transferred to the State School Deferred Maintenance Fund and are available for funding applications received by the Department of General Services, Office of Public School Construction for the purpose of payments to school districts for deferred maintenance projects pursuant to Section 17584 of the Education Code.

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.....	403,519,000
Schedule:	
(1) 20.20.020.005-Instructional Materials Block Grant.....	403,519,000
Provisions:	
1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials.	
3. Of the funds appropriated in this item, \$22,553,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 5.92 percent.	
6110-190-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Community Day Schools.....	49,295,000
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, \$2,780,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 5.92 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 2007–08 fiscal year.	
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.....	31,389,000

Schedule:

(1) 20.60.070-Instructional Support: Bilingual Teacher Training Assistance Program.....	2,066,000
(2) 20.60.060-Instructional Support: Teacher Peer Review.....	28,935,000
(3) 20.60.110-Instructional Support: Improving School Effectiveness- Reader Services for Blind Teachers.....	388,000

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 the Education Code.
3. Of the funds appropriated in Schedule (1), \$115,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
4. 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 the Education Code. If the funds are insufficient to fully fund growth in this program, the State Department of Education may adjust the per-participant rate to conform to available funds. Funds appropriated in Schedule (2) include \$1,617,000 for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
5. 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.

- 6. Of the funds appropriated in Schedule (3), \$22,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.

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..... 25,821,000  
Provisions:

- 1. The amount appropriated in this item includes \$1,000,000 from a one-time carryover from prior years.

6110-195-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.140-Staff Development: Teacher improvement, Teacher Incentives National Board Certification..... 12,535,000  
Provisions:

- 1. The funds appropriated in this item shall be for the purpose of providing incentive grants to teachers with certification by the National Board for Professional Teaching Standards that are teaching in low-performing schools pursuant to Article 13 (commencing with Section 44395) of Chapter 2 of Part 25 of the Education Code.
- 2. Of the funds appropriated in this item, \$5,000,000 shall provide up to \$1,000 per teacher in fee support for teachers seeking National Board for Professional Teaching Standards certification. Priority shall be given to teachers in high priority schools. To the extent any federal funds available for the offset of fees for National Board for Professional Teaching Standards certification become unavailable or are insufficient to meet demand, the funds in this item may be used to provide up to \$2,250 per teacher.

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..... 321,542,000  
Schedule:

- (1) 20.60.280-Improving Teacher Quality Local Grants..... 315,638,000

- (2) 20.60.270- Administrator 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) shall be for the Administrator 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) shall be for transfer to the University of California, which shall use the funds for the Subject Matter Projects.

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..... 1,338,623,000

Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education..... 347,349,000
- (1.5) 30.10.020-Child Care Services..... 1,845,828,000
  - (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs.... 692,054,000
  - (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 36,024,000
  - (d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 227,887,000

- (e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2.... 425,209,000
- (f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside..... 334,140,000
- (g) 30.10.020.008-Special Program, Child Development, Resource and Referral..... 17,557,000
- (i) 30.10.020.015-Special Program, Child Development, Extended Day Care..... 31,517,000
- (j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped..... 1,728,000
- (k) 30.10.020.106-Special Program, Child Development, California Child Care Initiative..... 250,000
- (l) 30.10.020.901-Special Program, Child Development, Quality Improvement..... 65,568,000
- (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.....	5,994,000
(3)	30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments.....	80,250,000
(4)	30.10.020.909-Special Program, Child Development, Growth Adjustments.....	28,484,000
(5)	Amount payable from the Federal Trust Fund (Item 6110-196-0890).....	-963,288,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the 2006–07 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) \$72,452,000 shall be available for CalWORKs Stage 2 child care.
  - (c) The Controller shall establish an account entitled Section 8278 Expenditures in 2005 in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2006, or subsequent abatements, from those amounts listed in Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(n), 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. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors or regions shall

- be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of either department.
- (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 charged by providers offering the same type of child care for the same age child in that region.
5. Funds in Schedule (1.5)(I) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:
- (a) \$1,990,000 is for the schoolage care and resource and referral earmark.
  - (b) \$11,221,000 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
  - (c) \$5,233,000 in one-time federal funding is available for use in the 2006–07 fiscal year. Of that amount, \$200,000 shall be used for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code), \$1,500,000 shall be used for health and safety training for both licensed and license-exempt child care providers, and \$1,000,000 shall be used for the development of preschool learning standards. The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education and approved by the Department of Finance.
  - (d) From the remaining funds, the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers; \$2,700,000 for contracting with the State Department of Social Services (DSS) for

increased inspections of child care facilities; \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code); \$500,000 for health and safety training for licensed and exempt child care providers; \$320,000 for the Child Development Training Consortium; \$300,000 for the Health Hotline; and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, and/or construction of child care facilities.

- (e) As required by federal law, the State Department of Education (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 the Budget Act of 2004 (Ch. 208, Stats. 2004). This plan shall be submitted to the Department of Finance by February 15 of each year, and funds shall not be encumbered prior to approval of the plan by the Department of Finance. The SDE shall coordinate with the DSS, 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) The department shall establish an expenditure plan for the 2007–08 fiscal year that sets forth the proposed state and local activities to improve child care, including the reasons therefor, to be undertaken in the 2007–08 fiscal year. The plan shall be submitted to the Department of Finance and to the fiscal committees of both houses of the Legislature at least 30 days prior to the commencement of public hearings and no later than March 1, 2007.
- (g) \$15,000,000 from the General Fund shall be for child care worker recruitment and re-

tention programs authorized 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 State Department of Social Services (DSS).
- (b) The SDE shall provide quarterly information regarding 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 30 and March 30 of each year, 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 next two fiscal years 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 current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the Governor's Budget.

- (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 Section 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 years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.
8. 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.

9. Notwithstanding any other provision of law, administrative and support services allowances for the programs funded through Schedules (1.5)(d), (1.5)(e), and (1.5)(f) shall be limited to no more than 20 percent of the total contract amount.
10. Notwithstanding Section 26.00, the funds appropriated in Schedule (3), for child development cost-of-living adjustments, are for allocation among Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance. After allocation of the COLA, the maximum standard reimbursement rate shall not exceed \$32.89 per day for General Child Care programs and \$20.30 per day for State Preschool Programs. Furthermore, the Migrant Child Care and 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.
11. Notwithstanding Section 26.00, the funds appropriated in Schedule (4), for child development growth adjustments, are for allocation among Schedules (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).

Funds allocated to Schedules (1.5)(a), (1.5)(c), (1.5)(i), and (1.5)(j) shall be used by the State Department of Education to increase the standard reimbursement rate to the level specified in Provision 10. Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance.
13. 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 of each year, 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 of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.

14. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis to allow facilities to perform necessary renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Secs. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child Care and Development Services Act, Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.
15. It is the intent of the Legislature to convene a workgroup consisting of representatives from the Department of Finance, the Legislature, and the State Department of Education. The workgroup shall consider the process for setting subsidized voucher rates for child care providers that do not serve nonsubsidized families.

6110-196-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 963,288,000  
Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.
2. Of the funds appropriated in this item, \$369,120,000 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.

- 3. Of the funds appropriated in this item, \$63,367,000 is available on a one-time basis for Stage 3 from federal Child Care and Development Block Grant funds appropriated prior to the 2006 federal fiscal year.
- 4. Of the funds appropriated in this item, \$5,233,000 is available on a one-time basis for quality projects from federal Child Care and Development Block Grant funds appropriated prior to the 2006 federal fiscal year.

6110-197-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, 21st Century Community Learning Centers Program..... 162,626,000  
Schedule:

- (1) 30.10.080-Special Program, Child Development, 21st Century Community Learning Centers Program..... 162,626,000

Provisions:

- 1. (a) Current recipients of 21st Century grants that are serving students in elementary, middle, or junior high schools shall have the option to: (1) continue operating under the 21st Century program, or (2) transfer to the After School Education and Safety (ASES) program. Notwithstanding any other provision of law, grantees that choose to transfer to the ASES shall maintain the grant level and per pupil rate they received in the prior year. It is the intent of the Legislature that as 21st Century grantees either transfer to the ASES program or as their grant period expires, priority for the funding of new grants shall be given to high school programs, consistent with legislation that becomes effective on or before January 1, 2007.
- (b) The State Department of Education 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. Of the amount appropriated in this item, \$33,600,000 is carryover of one-time program savings from prior years.

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..... 56,133,000

Schedule:

- (1) 20.60.220-Cal-SAFE Academic and Supportive Services..... 16,295,000
- (2) 20.60.221-All Services for Non-converting Pregnant Minors Programs..... 13,885,000
- (3) 30.10.020-Cal-SAFE Child Care.... 25,953,000

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 chooses to participate in the Cal-SAFE program shall have priority for Cal-SAFE program funding for an amount up to the dollar amount provided under those provisions in the fiscal year prior to participation in the Cal-SAFE program, provided an application is submitted and approved.
2. The amounts appropriated in Schedules (1), (2), and (3) are based on estimates of the amounts required by existing programs for operation of Cal-SAFE programs in the current year. By October 31 of each year, the State Department of Education (SDE) shall submit to the Department of Finance current expenditure data for both the prior fiscal year and the current year showing each agency's allocation and supporting detail including average daily attendance and child care attendance and enrollment data. The SDE shall also provide estimates of average daily attendance and child care to be provided in the budget year.
  3. Funds appropriated in Schedule (2) 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 SDE 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 Cal-SAFE 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 Cal-SAFE 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.

- 4. Of the funds appropriated in this item, \$3,137,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.

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 2006–07 school year for school breakfast program startup grants pursuant to Section 49550.3 of the Education Code, and for nonconcurring expenses incurred by a school district or county office of education in initiating or expanding a Summer Food Service Program for children pursuant to Section 49547.5 of the Education Code following criteria developed by the State Department of Education.

6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund..... 1,627,085,000  
Schedule:

- (1) 30.20.010-Child Nutrition Programs..... 1,604,635,000
- (2) 30.20.040-Summer Food Service Program..... 22,450,000

Provisions:

- 1. The amount appropriated in Schedule (1) includes \$281,000 of one-time funds for expenditure to support efforts to directly certify eligible pupils from public benefit programs for free and reduced-price school meal programs.

6110-202-0001—For local assistance, Department of Education..... 11,636,000

Schedule:

(1) 30.20.010-Child Nutrition Programs..... 11,636,000

Provisions:

1. Funds appropriated in Schedule (1) 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, 2007, to be eligible for reimbursement.
2. Notwithstanding any other provision of law, except as provided in this provision, funds appropriated in Schedule (1) 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, \$650,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 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..... 93,092,000

Schedule:

(1) 30.20.010-Child Nutrition Programs..... 93,434,000

(2) Reimbursements..... -342,000

Provisions:

1. Funds appropriated in Schedule (1) 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, 2007, 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.

- 4. Of the funds appropriated in this item, \$5,203,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
- 5. Of the funds appropriated in this item, \$2,626,000 is for the purpose of providing a 3.08-percent growth adjustment due to an increase in the projected number of meals served.

6110-204-0001—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 allocation to school districts to increase the number of pupils that pass the California High School Exit Examination..... 100,500,000

Provisions:

- 1. The funds appropriated in this item are available to assist eligible pupils, pursuant to Section 37254 of the Education Code, who are required to pass the California High School Exit Examination in order to receive a diploma in 2007 and 2008.
- 4. The Superintendent of Public Instruction shall apportion \$500 per eligible pupil, to the extent that funds are available.
- 5. The funds in this item shall be allocated by the State Department of Education as specified in this item no later than October 1 of each fiscal year.
- 6. Any unused funds shall be prorated to all eligible class of 2008 students who failed one or both parts of the California High School Exit Examination.
- 7. Of the funds appropriated in this item, \$30,000,000 is for the purposes of providing early intervention and planning for students in grades 7 to 12, inclusive, who are at risk of not passing the California High School Exit Examination, pursuant to legislation enacted during the 2005–06 Regular Session.

6110-208-0001—For local assistance, Department of Education (Proposition 98), Program 20, for allocation to the Center for Civic Education..... 250,000

Provisions:

- 1. The funds appropriated in this item are for the purpose of implementing a middle school and junior high school civic education program.

6110-209-0001—For local assistance, 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.... 46,000

Provisions:

- 1. Of the funds appropriated in this item, \$3,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.

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..... 95,085,000

Provisions:

- 1. Funds appropriated in this item are for the charter school categorical block grant. The State Department of Education shall calculate and distribute block grant funds pursuant to Chapter 359 of the Statutes of 2005.
- 2. The State Department of Education shall provide an estimate of average daily attendance expected to be claimed for this item for the 2007–08 fiscal year to the Department of Finance and the Legislative Analyst’s Office by October 1, 2006, for use in developing the 2007–08 Governor’s Budget. The State Department of Education shall provide an update of the estimate by March 31, 2007, for preparation of the May Revision.
- 3. An additional \$5,947,000 in expenditures for this item has been deferred until the 2007–08 fiscal year.

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..... 93,540,000

Schedule:

- (1) 10.10.950.002-Operations grants.... 93,540,000

Provisions:

1. The following provisions govern funds appropriated for the Year-Round School Grant Program (Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of the Education Code):
  - (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..... 57,939,000

Schedule:

- (1) 20.60.020.011-School Safety Block
  - Grants..... 57,939,000

Provisions:

1. Of the funds appropriated in Schedule (1), \$57,939,000 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 \$38,720,000 in expenditures for this purpose has been deferred to the 2007–08 fiscal year.
2. Of the \$38,720,000 deferred from this item, \$1,000,000 shall be made available for county offices of education pursuant to Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of the Education Code.
3. Of the funds appropriated in this item, \$5,402,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 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 comprehensive school safety plans. 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.

6110-232-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.26, Program to Reduce Class Size in Two Courses in Grade 9 pursuant to Chapter 6.8 (commencing with Section 52080) of Part 28 of the Education Code..... 102,000,000

Provisions:

- 1. Schools participating in this program shall receive a per-pupil rate of \$204 pursuant to Section 52086 of the Education Code, based on a cost-of-living adjustment at a rate of 5.92 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..... 1,763,462,000

Provisions:

- 1. Schools participating in Option One shall receive a per-pupil rate of \$1,024. Schools participating in Option Two shall receive a per-pupil rate of \$512. These rates are based on a cost-of-living adjustment at a rate of 5.92 percent.

6110-240-0001—For local assistance, Department of Education (Proposition 98)..... 2,954,000

Schedule:

- (1) 10.80.030-Instruction: International Baccalaureate Diploma Program.... 1,231,000
- (2) 20.70-Instructional Support: Assessments..... 1,723,000

Provisions:

- 1. The funds appropriated in Schedule (1) shall be for the International Baccalaureate Diploma Program authorized by Chapter 12.5 (commenc-



<p>ing with Section 52920) of Part 28 of the Education Code.</p> <p>2. The funds appropriated in Schedule (2) 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.</p> <p>3. Of the funds appropriated in this item, \$165,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.</p> <p>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.....</p> <p>Provisions:</p> <p>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 examination fee reimbursements has been fully satisfied may be used on a one-time basis for preadvanced 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 2006–07 fiscal year.</p> <p>6110-242-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.106.....</p> <p>Provisions:</p> <p>1. Funds appropriated in this item are for allocation to the California Association of Student Councils to expand student leadership activities.</p> <p>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.....</p> <p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$6,730,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.</p>	<p>2,926,000</p> <p>33,000</p> <p>93,687,000</p>
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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 pursuant to Chapter 3.2 (commencing with Section 41520) of Part 24 of the Education Code..... 102,986,000

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.
4. Of the funds appropriated in this item, \$5,581,000 is provided for a cost-of-living adjustment at a rate of 5.92 percent.
5. Of the funds appropriated in this item, \$9,555,000 is for the purpose of providing an adjustment for an increase in the number of eligible teachers.

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, pursuant to Chapter 3.2 (commencing with Section 41530) of Part 24 of the Education Code..... 264,081,000

Provisions:

1. Of the funds appropriated in this item, \$14,760,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 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..... 933,958,000

Provisions:

1. Of the funds appropriated in this item, \$57,796,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 percent.
2. Notwithstanding any other provision of law, an additional \$100,118,000 in expenditures for this item has been deferred until the 2007–08 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..... 447,428,000

Provisions:

1. Of the funds appropriated in this item, \$25,007,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 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 (commencing with Section 41510) of Chapter 3.2 of Part 24 of the Education Code..... 17,351,000

Provisions:

1. Of the funds appropriated in this item, \$970,000 is for the purpose of providing a cost-of-living adjustment at a rate of 5.92 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 of the Statutes of 1999. Local edu-

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.

6110-262-0001—For local assistance, Department of Education (Proposition 98), Teacher Retention and Recruitment..... 48,306,000

Provisions:

1. Funds in this item shall be used pursuant to legislation enacted during the 2005–06 Regular Session that improves the recruitment and retention of credentialed teachers.

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant..... 75,000,000

Provisions:

1. The funds appropriated in this item shall be for the purpose of providing block grants to school districts, charter schools, and county offices of education to support standards-aligned art and music instruction in kindergarten and grades 1 to 12, inclusive. It is the intent of the Legislature that these funds supplement, and not supplant, existing resources for arts and music.
2. The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education at an equal per pupil amount on the basis of a minimum of \$3,000 for schoolsites with 10 or fewer students and a minimum of \$5,000 per schoolsite with more than 20 students.
3. The funds appropriated in this item may be used for hiring of additional staff, purchase of new materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.

6110-266-0001—For local assistance, Department of Education (Proposition 98), Program 20.30.010—County Office of Education for Williams Audits..... 10,000,000

Provisions:

1. Funds appropriated in this item are for allocation to county offices of education for the purposes of site visits pursuant to Sections 1240 and 52056 of the Education Code.

6110-267-0001—For local assistance, Department of Education (Proposition 98), for Certificated Staff Mentoring Program..... 11,200,000  
Provisions:

- 1. The funds appropriated in this item shall be allocated by the Superintendent of Public Instruction to school districts for the purpose of encouraging excellent, experienced teachers to teach in staff priority schools and to assist teacher interns during their induction and first years of teaching, pursuant to the enactment of legislation during the 2005–06 Regular Session.

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..... 133,588,000  
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)..... 5,488,000
- (2) 98.01.009.894-Caregiver Affidavits (Ch. 98, Stats. 1994) (CSM 4497).... 875,000
- (3) 98.01.016.193-Intradistrict Attendance (Ch. 161, Stats. 1993) (CSM 4454)..... 4,743,000
- (4) 98.01.048.765-Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM 4485)..... 13,788,000
- (5) 98.01.049.801-Graduation Requirements (Ch. 498, Stats. 1983) (CSM 4435)..... 8,278,000
- (6) 98.01.049.802-Notification of Truancy (Ch. 498, Stats. 1983) (CSM 4133)..... 8,518,000
- (7) 98.01.049.803-Pupil Suspensions, Expulsions, Expulsion Appeals (Ch. 498, Stats. 1983, et al.) (CSM 4456, 4455, 4463)..... 3,404,000
- (8) 98.01.078.192-Charter Schools (Ch. 781, Stats. 1992) (CSM 4437)..... 906,000

(9)	98.01.079.980-PERS Death Benefits (Ch. 799, Stats. 1980).....	694,000
(10)	98.01.081.891-AIDS Prevention Instruction I and II (Ch. 818, Stats. 1991; Ch. 403, Stats. 1998) (CSM 4422; 99-TC-07, 00-TC-01).....	2,624,000
(11)	98.01.096.175-Collective Bargaining (Ch. 961, Stats. 1975) (CSM 4425, 97-TC-08).....	26,387,000
(12)	98.01.096.577-Pupil Health Screenings (Ch. 1208, Stats. 1976) (CSM 4440).....	3,908,000
(13)	98.01.097.595-Physical Performance Tests (Ch. 975, Stats. 1995) (96-365-01).....	1,963,000
(14)	98.01.101.184-Juvenile Court Notices II (Ch. 1011, Stats. 1984; Ch. 1423, Stats. 1984) (CSM 4475)....	821,000
(15)	98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211, 4298).....	456,000
(16)	98.01.111.789-Law Enforcement Agency Notifications (Ch. 1117, Stats. 1989) (CSM 4505, 4505-2)....	1,615,000
(17)	98.01.117.677-Immunization Records (Ch. 1176, Stats. 1977) (SB 90-120).....	3,588,000
(18)	98.01.118.475-Habitual Truants (Ch. 1184, Stats. 1975) (CSM 4487, 4487-A).....	6,371,000
(19)	98.01.125.375-Expulsion Transcripts (Ch. 1253, Stats. 1975).....	9,000
(20)	98.01.130.689-Notification to Teachers of Public Expulsion (Ch. 1306, Stats. 1989) (CSM 4452)....	5,235,000
(21)	98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195).....	2,264,000
(22)	98.01.139.874-PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974).....	2,872,000
(23)	98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-01).....	153,000
(24)	98.01.058.897-Criminal Background Checks (Ch. 558, Stats. 1997) (97-TC-16).....	2,569,000

(25)	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
(26)	98.01.046.576-Peace Officers Procedural Bill of Rights (Ch. 465, Stats. 1976) (CSM 4499).....	4,000
(27)	98.01.361.977-Financial and Compliance Audits (Ch. 36, Stats. 1977) (CSM 4498, 4498-A).....	353,000
(28)	98.01.064.097-Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08).....	2,000
(29)	98.01.112.096-Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25).....	1,000
(30)	98.01.091.787-County Office of Education Fiscal Accountability Reporting (Ch. 917, Stats. 1987) (97-TC-20).....	288,000
(31)	98.01.010.081-School District Fiscal Accountability Reporting (Ch. 100, Stats. 1981) (97-TC-19).....	1,627,000
(32)	98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).....	0
(33)	98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03).....	0
(34)	98.01.073.697-Comprehensive School Safety Plans (Ch. 736, Stats. 1997) (98-TC-01, 99-TC-10).....	3,237,000
(35)	98.01.032.578-Immunization Records—Hepatitis B (Ch. 325, Stats. 1978; Ch. 435, Stats. 1979) (98-TC-05).....	4,336,000
(36)	98.01.119.280-School District Reorganization (Ch. 1192, Stats. 1980; Ch. 1186, Stats. 1994) (98-TC-24).....	1,000
(37)	98.01.003.498-Charter Schools II (Ch. 34, Stats. 1998; Ch. 673, Stats. 1998) (99-TC-03).....	55,000

(38) 98.01.059.498-Criminal Background Checks II (Ch. 594, Stats. 1998; Ch. 840, Stats. 1998, Ch. 78, Stats. 1999) (00-TC-05).....	920,000
(39) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).....	0
(40) 98.01.074.398-Pupil Promotion and Retention (Ch. 100, Stats. 1981, et al.) (98-TC-19).....	15,203,000
(41) 98.01.033.198-Teacher Incentive Program (Ch. 331, Stats. 1998) (99-TC-15).....	8,000
(42) 98.01.030.098-Differential Pay and Reemployment (Ch. 30, Stats. 1998) (99-TC-02).....	24,000

Provisions:

1. If the amount appropriated in this item is less than the amount required to fund eligible claims contained in this item and in Item 6870-295-0001, the State Controller shall prorate payments proportionately between these items.
2. Notwithstanding any other provision of law, the funds allocated for PERS Death Benefits (Ch. 799, Stats. 1980) and PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974) 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.
3. Pursuant to Section 17581.5 of the Government Code, mandates included in the language of this provision are specifically identified by the Legislature for suspension during the 2006-07 fiscal year:
  - (25) School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22).
  - (32) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).
  - (33) 98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03).
  - (39) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).
4. It is noted that additional funding is provided in Item 6110-485 in the event that funding provided



in this item is insufficient to fully fund mandates claimed pursuant to this item.

6110-301-0660—For capital outlay, Department of Education, payable from the Public Buildings Construction Fund..... 33,825,000  
Schedule:

California School for the Deaf, Riverside:

- (1) 80.80.089-Kitchen and Dining Hall Renovation—Preliminary plans, working drawings, construction, and equipment..... 8,862,000
- (2) 80.80.052-New Gymnasium and Pool Center—Preliminary plans, working drawings, construction, and equipment..... 24,963,000

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 projects authorized by this item.
2. The State Department of Education and the State Public Works Board are 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.
3. 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 the State Department of Education from the requirements of the California Environmental Quality Act. This section is declarative of existing law.
4. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2010. 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 Department of Finance on or before June 30, 2008, 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 \$226,040,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purposes:

0001—General Fund

- (1) \$136,979,000 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.
- (3) \$39,000 to the Controller to pay for 1998–99 fiscal year reimbursable mandated cost claims relating to attendance accounting per Chapter 855 of the Statutes of 1997.
- (4) \$9,555,000 to the State Department of Education for the purpose of the Teacher Credentialing Block Grant pursuant to Article 4 (commencing with Section 4120) of Chapter 3.2 of Part 21 of the Education Code to fund an additional 2,600 beginning teachers in the 2005–06 budget year.
- (8) \$1,000,000 to the State Department of Education for the purpose of the Principal Training Program, pursuant to Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of the Education Code.
- (10) \$18,726,000 to the Controller to pay for prior-year state obligations for K–12 mandate claims and interest.

- (11) \$10,509,000 to fully implement in the 2005–06 fiscal year the adjustment for unified school districts pursuant to Chapter 355 of the Statutes of 2005 (S.B. 319). This appropriation is for the difference between fully funding Chapter 355 of the Statutes of 2005 and what statutes provide for the 2005–06 fiscal year.
- (12) \$30,000,000 for any costs of 2006–07 K–12 certified mandate claims beyond what is appropriated in Item 6110-295-0001, to be disbursed by the Controller.
- (19) \$15,000,000 to supply schools with garden supplies and equipment. The State Department of Education shall allocate a minimum of \$500 to each school in the state that applies for funds. The balance of the funds shall be allocated to school districts on a per-pupil basis.
- (20) Of the funds reappropriated in this item, \$1,232,000 is available on a one-time basis to provide professional development to increase the effective integration of standards-aligned instructional materials in reading and mathematics and supplemental instructional materials designed to assist English learners.
  - (a) Priority for funding under this provision shall be for teachers who provide instruction to English learners. Allocation of the funds pursuant to (b) shall be on a first-come, first-served basis, consistent with this priority.
  - (b) Notwithstanding any other provision of law, the training shall consist of 40 hours of intensive instruction and 80 hours of followup instruction, coaching, or additional school-site assistance that shall address both core instructional materials and supplemental materials. Training shall be conducted by providers that have previously been approved by the State Board of Education pursuant to paragraph (1) of subdivision (a) of Section 99237 of the Education Code, and that have expertise in the instruction of English learners and supplemental instructional materials designed to assist English learners.
  - (c) Training on supplemental materials shall only be for those materials that have been previously approved by the State Board of

Education, pursuant to Provision 2 of Item 6110-189-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

- (d) The Superintendent of Public Instruction shall allocate to local educational agencies \$2,500 per participating teacher to complete the 40 hours of training and 80 hours of followup instruction, coaching, or additional schoolsite assistance. The superintendent may allocate the funding based upon a statement of intent to participate from the local educational agency and in a manner that is consistent with subdivision (c) of Section 99237 of the Education Code.
- (21) \$3,000,000 shall be available to establish state-level teacher recruitment personnel teams to improve district teacher recruitment and retention pursuant to the enactment of legislation during the 2005–06 Regular Session..

6110-486—Reappropriation, Department of Education. Notwithstanding any other provision of law, \$18,200,000, or the unexpended amount thereof, from Item 6110-485, Schedule (9), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2007 and liquidation until June 30, 2009.

6110-491—Reappropriation, Department of Education. 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, and shall be available for encumbrance or expenditure until June 30, 2007:

- (1) Item 6110-001-3085, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005). Of the funds appropriated in this item, \$289,000 is made available for the 2006–07 fiscal year, for the purpose of fulfilling contracting services with local education agencies pursuant to the Mental Health Services Act (Proposition 63).
- (2) Schedule (4) of Item 6110-485, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005). Funds appropriated in this item are made available for the 2006–07 fiscal year, subject to the provisions of the appropriation.

- (3) Item 6110-161-0001, Budget Act of 2003 (Ch. 157, Stats. 2003). Balances available from this item are made available for allocation by the Superintendent of Public Instruction to special education local plan areas SELPAs to fully fund deficiencies related to average daily attendance funding in (1) Item 6110-161-0001 of the Budget Act of 2004 and (2) Item 6110-161-0001 of the Budget Act of 2005.
- (4) Item 6110-107-0001, Budget Act of 2003 (Ch. 157, Stats. 2003). Any unexpected funds from Item 6110-107-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003) shall remain available to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for the following purposes:
  - (a) To provide an additional annual written status report for 2006 assessing the progress of the Oakland Unified School District in implementing the improvement plan developed pursuant to Chapter 14 of the Statutes of 2003. The report shall be provided at a date agreed to by FCMAT and the Superintendent of Public Instruction.
  - (b) To provide an additional annual written status report for 2006 assessing the progress of the West Fresno Elementary School District in implementing the improvement plan developed pursuant to Chapter 1 of the Statutes of 2003. The report shall be provided at a date agreed to by FCMAT and the Superintendent of Public Instruction.
  - (c) To provide an additional annual written status report for 2006 assessing the progress of the Vallejo Unified School District in implementing the improvement plan developed pursuant to Chapter 53 of the Statutes of 2004. The report shall be provided at a date agreed to by FCMAT and the Superintendent of Public Instruction.

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 or expenditure until June 30, 2007:

Provisions:

1. Notwithstanding Section 8278 of the Education Code, \$12,723,000 of the remaining General Fund balance of the amount appropriated in Schedule (1.5)(e) for CalWORKs Stage 2 child care in Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004) shall be available only for expenditure for CalWORKs Stage 2 during the 2006–07 fiscal year.
2. \$5,386,000 of the unliquidated federal fund balance appropriated in Item 6110-196-0890 as included in Schedule (1.5)(e) of Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 2 during the 2006–07 fiscal year.
3. \$4,045,000 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 the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 3 during the 2006–07 fiscal year.
4. \$8,295,000 of the unliquidated federal fund balance appropriated in Item 6110-196-0890 as included in Schedule (1.5)(e) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), shall be available only for expenditure for CalWORKs Stage 2 during the 2006–07 fiscal year.
5. \$5,081,000 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 the Budget Act of 2004 (Ch. 208, Stats. 2004), shall be available only for expenditure for CalWORKs Stage 3 during the 2006–07 fiscal year.
6. Notwithstanding Section 8278 of the Education Code, \$266,000 of the remaining General Fund balance of the amount appropriated in Schedule (1.5)(e) for CalWORKs Stage 2 child care in Item 6110-196-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 2 during the 2006–07 fiscal year.
7. Notwithstanding Section 8278 of the Education Code, \$2,099,000 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, Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 3 during the 2006–07 fiscal year.

8. Notwithstanding Section 8278 of the Education Code, \$2,144,000 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, Budget Act of 2004 (Ch. 208, Stats. 2004), shall be available only for expenditure for CalWORKs Stage 3 during the 2006–07 fiscal year.

9. Notwithstanding Section 8278 of the Education Code, \$42,948,000 of the remaining unallocated General Fund balance of the amount appropriated in Item 6110-196-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), with the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs, shall be available only for expenditure for CalWORKs Stage 3 during the 2006–07 fiscal year.

6110-495—Reversion, Department of Education, Proposition 98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the Controller within 60 days of enactment of this act:

0001—General Fund

- (1) \$6,225,000 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 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (2) \$16,000,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-234-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (5) \$213,000 or whatever greater or lesser amount reflects the unexpended funds from Schedules (2) and (3) of Item 6110-123-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (8) \$128,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6110-151-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

- (9) \$725,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-235-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (10) \$4,096,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-212-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (13) \$5,723,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-196-0001 of the Budget Act of 2001 (Ch. 106, Stats. 2001).
- (14) \$2,750,000 or whatever lesser or greater amount reflects the unexpended funds from Schedule (2) for After School Programs from Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (15) \$9,299,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-196-0001 of the Budget Act of 2002 (Ch. 376, Stats. 2002).
- (16) \$10,646,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (17) \$293,000 or whatever greater or lesser amount reflects the unencumbered balance of the amount appropriated for Specialized Secondary Programs in Item 6110-122-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (18) \$1,066,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-191-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (19) \$870,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-195-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (20) \$8,000,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-112-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (21) \$7,000,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-112-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).



- (22) \$283,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-181-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (23) \$419,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-181-0001 of the Budget Act of 2005 (Ch. 38, Stats. 2005).
- (25) \$2,500,000 from Schedule (1) of Item 6110-203-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (26) \$67,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6110-240-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (27) \$88,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-120-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (28) \$1,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-131-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (29) \$7,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-151-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (30) \$69,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-120-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (31) \$472,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (5) of Item 6110-113-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (32) \$78,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (3) of Item 6110-113-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (33) \$136,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6110-123-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (34) \$37,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (2) of Item 6110-123-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- (35) \$35,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (3) of Item 6110-123-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
  - (36) \$1,159,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (5) of Item 6110-113-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
  - (37) \$96,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6110-123-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
  - 38. \$327,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6100-123-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
  - 39. \$300,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-137-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
  - 40. \$932,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-137-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
  - 41. \$3,736,256 or whatever lesser or greater amount reflects the unexpended funds from Schedule (16) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
  - 42. \$1,535,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-195-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. of 2005).
  - 43. \$2,989,000 or whatever lesser or greater amount reflects the unexpended funds from the Item 6110-198-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
  - 44. \$200,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-161-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 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.
- 6120-011-0001—For support of California State Library, Division of Libraries, and California Library Services Board..... 11,100,000
- Schedule:
- (1) 10-State Library Services..... 14,134,000
  - (2) 20-Library Development Services.... 4,214,000
  - (3) 30-Information Technology Services..... 1,183,000
  - (4) 40.01-Administration..... 1,783,000
  - (5) 40.02-Distributed Administration.... -1,783,000
  - (6) Reimbursements..... -1,599,000
  - (7) Amount payable from the Federal Trust Fund (Item 6120-011-0890).... -6,832,000
- Provisions:
- 1. Of the amount appropriated in Schedule (1), \$76,000 is for repair and maintenance costs of the Library and Courts II Building.
  - 2. Of the amount appropriated in Schedule (1), \$220,000 is for 2.0 information technology positions to meet the critical workload need for computer support and information security.
- 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 State Law Library Special Account..... 548,000
- Provisions:
- 1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of rev-

enue received by the State Law Library Special Account which is in addition to the revenue appropriated in 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 of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

6120-011-0890—For support of the California State Library, for payment to Item 6120-011-0001, payable from the Federal Trust Fund..... 6,832,000

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..... 2,755,000

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..... 1,718,000

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.... 2,454,000  
Schedule:

- (1) Base Rental and Fees..... 2,469,000
- (2) Insurance..... 19,000
- (3) Reimbursements..... -34,000

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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Item		Amount
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 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.....		21,342,000
Schedule:		
(1) 20.30-Direct Loan and Interlibrary Loan Programs.....	18,616,000	
(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..... 21,360,000

Provisions:

- 1. Notwithstanding any other provision of law, for the 2006–07 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, 2006.
- 2. Notwithstanding any other provision of law, for the 2006–07 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, 2007.
- 3. It is the intent of the Legislature that the funds appropriated in this item be allocated consistent with the provisions of Section 18025 of the Education Code.

6125-001-0001—For support of the Education Audit Appeals Panel..... 1,311,000

Schedule:

- (1) 10-Education Audit Appeals Panel..... 1,311,000

6255-001-0001—For support of California State Summer School for the Arts..... 1,481,000

Schedule:

- (1) 10-California State Summer School for the Arts..... 1,481,000

6330-001-0001—For support of the California Career Resource Network..... 0

Schedule:

- (1) 10-California Career Resource Network..... 418,000
- (2) Reimbursements..... -418,000

Provisions:

- 1. The funds appropriated in this item shall be used specifically to (a) develop relevant career exploration tools and materials, (b) publish timely information on existing job labor markets and career opportunities, and (c) disseminate these

materials to middle and high school counselors throughout the state.

6360-001-0407—For support of the Commission on Teacher Credentialing, payable from the Teacher Credentials Fund..... 14,779,000  
Schedule:

- (1) 10-Standards for Preparation and Licensing of Teachers..... 15,806,000
- (2) 10.40.010-Departmental Administration..... 4,337,000
- (3) 10.40.020-Distributed Departmental Administration..... -4,337,000
- (4) Reimbursements..... -1,027,000

Provisions:

1. The amount appropriated in this item may be increased based on increases in credential applications, increases in first-time credential applications requiring fingerprint clearance, unanticipated costs associated with certificate discipline cases, or unanticipated costs of litigation, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee.
2. To ensure the Teacher Credentials Fund reserve remains at a prudent level, the Commission on Teacher Credentialing shall charge no more than \$55 for the issuance or renewal of a teaching credential.
3. Of the funds appropriated in Schedule (1), \$366,000 is for maintenance costs of the Teacher Credentialing Service Improvement Project.
4. 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.
5. 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 total number of each type of application and 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.
  6. Four existing positions from the Professional Services Division shall be reclassified to establish three staff services analyst and four office technician positions in the Certifications, Assignments and Waivers Division until June 30, 2007, for the purpose of addressing the application backlog. Backlog is defined as applications received that have not been processed after 10 days. The Commission on Teacher Credentialing shall submit quarterly reports, in a format approved by the Office of the Secretary for Education in consultation with the Department of Finance, to the Legislature, Legislative Analyst's Office, the Office of the Secretary for Education, and the Department of Finance. The first quarterly report shall be due on October 1, 2006. The report shall include information on the total number of backlogged applications, the number and percent the backlog was reduced in each of the three months of that quarter, and an estimate of when the backlog will be fully addressed.
  8. Of the reimbursement authority provided in Schedule (4), \$75,000 is available on a one-time



basis from federal Title II carryover funds through an interagency agreement with the State Department of Education for the development of a language examination template and its application to several specific language examinations. After creating the template, the Filipino language shall be given priority for specific examination development, followed by the Hmong, Cantonese, Armenian, Khmer, Arabic, and Farsi languages, in that order, although test development may occur simultaneously.

- 9. Of the reimbursement authority provided in Schedule (4), \$200,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the State Department of Education for (a) reviewing the standards for special education teacher preparation programs and revising those programs to include outcome-based performance measures that can be tracked annually, and (b) reviewing the requirements of Education Specialist credentials and recommending revisions that would better ensure that special education teacher candidates achieve teaching competence and are not required to engage in unproductive activities.
- 10. Of the reimbursement authority provided in Schedule (4), \$252,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the State Department of Education to support 1.0 Staff Information Systems Analyst, 1.0 Senior Information Systems Analyst, 0.5 Associate Governmental Program Analysts, and other costs associated with the development of the Teacher Database System.
- 11. Of the reimbursement authority provided in Schedule (4), \$500,000 is available on a one-time basis from federal Title II carryover funds through an interagency agreement with the State Department of Education to implement the Teaching Performance Assessment pursuant to legislation enacted in the 2005–06 Regular Session.

6360-001-0408—For support of the Commission on Teacher Credentialing, payable from the Test Development and Administration Account, Teacher Credentials Fund.....	4,628,000
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Schedule:

(1) 10-Standards for Preparation and  
Licensing of Teachers..... 4,628,000

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..... 41,114,000

Schedule:

- (1) 10.20.001-Alternative Certification  
Program..... 31,723,000
- (2) 10.20.002-California School Para-  
professional Teacher Training Pro-  
gram..... 9,083,000
- (3) 10.10.001-Teacher Misassignment  
Monitoring..... 308,000

Provisions:

1. The funds appropriated in Schedule (1) are for school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of the Education Code. Of these funds, \$6,800,000 is available to increase intern grants for school districts and county offices that agree to enhance internship programs and address the distribution of beginning teachers pursuant to the enactment of legislation during the 2005–06 Regular Session.
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. Of these funds, \$2,500,000 is available to increase the per participant rate and to address participant waiting lists pursuant to the enactment of legislation during the 2005–06 Regular Session.
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) \$4,062,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (1) of Item 6360-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004).
- (2) \$1,525,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (2) of Item 6360-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004).

(3) \$2,437,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6360-485, Budget Act of 2004 (Ch. 208, Stats. 2004).	
6420-001-0001—For support of California Postsecondary Education Commission.....	2,065,000
Schedule:	
(1) 100000-Personal Services.....	1,881,000
(2) 300000-Operating Expenses and Equipment.....	624,000
(3) Reimbursements.....	-3,000
(4) Amount payable from the Federal Trust Fund (Item 6420-001-0890)....	-437,000
6420-001-0890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-0001, payable from the Federal Trust Fund.....	437,000
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.....	2,826,268,000
Schedule:	
(1) Support.....	2,742,772,000
(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 funds 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 in Schedule (2) are expended solely for the support of the program identified in that schedule.

4. Of the funds 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 funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.
7. Of the funds 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 funds 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.
9. Of the funds appropriated in Schedule (1), \$1,609,000 is for the California State Summer

- School for Math and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.
10. Of the funds appropriated in Schedule (1), \$770,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of the Welfare and Institutions Code.
  11. Notwithstanding Section 3.00, for the term of the financing, the University of California may use funds appropriated in Schedule (1) for debt service 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. The university shall report to the Legislature by March 15, 2007, on the (a) amount of funds spent to support the UC-Mexico facility, including the specific use of these funds, (b) amount of funds spent to support UC-Mexico research and academic programs, and (c) different types of research conducted and programs operated at the UC-Mexico facility.
  12. Of the funds provided in Schedule (1), \$1,125,000 is appropriated for science and math resource centers to implement the Science and Math Teacher Initiative. The university shall report to the Legislature and the Governor by April 1, 2007, on its progress toward increasing the quality and supply of science and math teachers.
  13. Of the funds appropriated in Schedule (1), \$41,640,000 is to fund 5,149 additional state-supported full-time equivalent (FTE) students at the University of California, based on a marginal General Fund cost of \$8,087 per additional student. As a result, the Legislature expects the University of California to enroll a total of 193,455 state-supported FTE students during the 2006–07 academic year. This enrollment target does not include nonresident students and students enrolled in non-state-supported summer programs. The University of California shall report to the Legislature by March 15, 2007, on whether it has met the 2006–07 enrollment goal.

For purposes of this provision, enrollment totals shall only include state-supported students. If the University of California does not meet its total state-supported enrollment goal by at least 257 (FTE) students, the Director of Finance shall revert to the General Fund by April 1, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

14. Of the funds appropriated in Schedule (1), \$480,000 shall be used to support 32 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, 2007, 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.
15. Of the funds provided in Schedule (1), \$860,000 is appropriated to fund the full cost of a minimum of 65 full-time-equivalent students in entry-level clinical nursing programs and entry-level master's degree programs in nursing, and \$103,000 is to support an additional 20 master's degree level nursing students. This funding is intended as a supplement to marginal cost support provided within the University of California's enrollment growth funding, in recognition of the higher costs associated with master's degree level nursing programs. The university shall report to the Legislature and the Governor by May 1, 2007, on its progress toward meeting this enrollment goal.
16. Of the funds appropriated in Schedule (1), \$19,300,000 is appropriated for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2006. It is the intent of the Legis-

lature 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. It is the intent of the Legislature that the report be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2007.

17. Of the funds appropriated in Schedule (1), \$475,000 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.
18. Of the funds appropriated in Schedule (1), \$385,000 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
19. Of the funds appropriated in Schedule (1), \$18,000,000 is for substance abuse research at the Neurology Department of the University of California, San Francisco.
20. Of the funds appropriated in Schedule (1), \$770,000 shall be used for lupus research at the University of California, San Francisco.
21. Of the funds appropriated in Schedule (1), \$1,539,000 shall be used to expand spinal cord injury research.
22. Of the funds appropriated in Schedule (1), \$3,848,000 is to fund the Medical Investigation of Neurodevelopmental Disorders (MIND) Institute, including \$3,500,000 for a research grants program.
23. Of the funds appropriated in Schedule (1), \$6,000,000 shall be used to support research on labor and employment and labor education throughout the University of California system. Of these funds, 60 percent shall be for labor research, and 40 percent shall be for labor education.
24. Of the funds appropriated in Schedule (1), \$1,000,000 is to fund research at the Institute for Experimental Research on Obesity and Diabetes.



25. It is the intent of the Legislature that the University of California report by January 15, 2007, on salary increases provided to employees for the 2006–07 academic year by employment classification, such as represented staff, nonrepresented staff, academics, and senior management, and that this report include the degree to which salary increases were consistent with the plan presented in the university’s Board of Regents budget request in November 2005.
26. It is the intent of the Legislature that before changes are made to existing pension programs, the University of California report to the Legislature on how changes would affect employees by classification, such as represented staff, nonrepresented staff, academics, and senior management.
27. It is the intent of the Legislature that the University of California fundamentally reform its compensation policies and practices to more appropriately reflect its status as a public institution accountable to the State of California. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies and practices consistent with the recommendations of the April 2006 report of the Task Force on UC Compensation, Accountability, and Transparency, the Price Waterhouse-Coopers report, and the Bureau of State Audits’ May 2, 2006, report. It is the intent of the Legislature that the fiscal subcommittees of both houses of the Legislature hold annual meetings to review this report. It is the intent of the Legislature that the report specifically include all of the following:
  - (a) Consistent with the task force’s recommendation on reporting, annual reports provided to the Board of Regents on total compensation for specified university senior officials, including the president, provost, senior vice presidents, vice presidents and vice provosts, associate and assistant vice presidents, university auditor, university controller, princi-

pal officers of the Board of Regents, chancellors, vice chancellors, national laboratory directors and deputy directors, medical center CEOs, professional school deans, and the top five most highly compensated positions at the Office of the President and at each campus, medical center, and Department of Energy Laboratory. Total compensation information on employees not covered by this language is to be made available to the Legislature upon request. In its annual report of total compensation for senior officials, the university should use a standard reporting template, such as the template recommended in the April 2006 report of the task force, that lists all elements of total compensation, including base salary, benefits, and perquisites, and all other forms of compensation provided by the University of California that accrue to the individual.

- (b) Plans and actions taken by the University of California to reform compensation policies and practices to ensure all of the following occurs:
  - (i) Clear and appropriate policies are in place to define compensation.
  - (ii) University compensation remains competitive.
  - (iii) It is clear with whom the authority lies for making compensation decisions.
  - (iv) Policies include specific guidance about when exceptions are appropriate, who may grant exceptions, and through which mechanisms exceptions may be granted, so that exceptions do not become the rule.
  - (v) Conflicts among existing policies are eliminated.
  - (vi) Mechanisms are in place to ensure compliance with newly reformed policies and to reliably impose consequences when policies are violated.
- (c) Plans and actions taken by the University of California to update its human resources information system to ensure that campuses and the Office of the President are entering and capturing data in an accurate and system-

atically compatible manner that permits disclosure of compensation information in a full and timely way.

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 1.80 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2009.

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..... 14,553,000  
Provisions:

- 1. The funds appropriated in this item are to be allocated for research regarding tobacco use, with an emphasis on youth and young adults, including, but not limited to, the effects of active and passive smoking, the primary prevention of tobacco use, nicotine addiction and its treatment, the effects of secondhand smoke, and public health issues surrounding tobacco use.
- 2. Notwithstanding subdivision (a) of Section 1.80 of this act, the funds appropriated in this item are available for expenditure until June 30, 2009.

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..... 3,500,000

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. Sec. 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 1.80 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2009.

6440-001-3054—For support of University of California..... 235,000

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 1.80 of this act, the funds appropriated in this item are not available for expenditure or encumbrance prior to July 1, 2007. Claims for these funds shall be submitted by the University of California on or after July 1, 2007, and before October 1, 2007.
2. No reserve may be established by the Controller for this appropriation before July 1, 2007.

6440-003-0001—For support of the University of California, for payments on lease-purchase bonds..... 158,327,000

Schedule:

- (1) Rental, insurance, and administrative payments..... 159,823,000
- (2) Reimbursements..... -1,496,000

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.

6440-004-0001—For support of University of California..... 24,000,000

Provisions:

- 1. Funds shall be available for planning and startup costs associated with academic programs to be offered in the San Joaquin Valley and planning, startup costs, and ongoing support for the Merced campus, including the following: (a) site studies, infrastructure planning, community planning and development, long-range development plans, environmental studies, and other physical planning activities; (b) academic planning activities, support of academic program offerings prior to the opening of the new campus, and faculty recruitment; (c) the acquisition of instructional materials and equipment; and (d) ongoing operating support for faculty, staff, and other annual operating expense for the new campus.
- 2. The University of California may enter into lease agreements with an option to purchase facilities in the Central Valley associated with the Merced campus. The lease agreement with an option to purchase shall be submitted to the Department of Finance for review and concurrence prior to execution of the lease to ensure that the proposed lease is consistent with legislative intent. The submission of the lease shall also include an economic analysis detailing the cost benefit of the project.
- 3. \$14,000,000 of the funds in this item are one time and shall decrease in subsequent years as enrollment increases in accordance with the plan submitted by the University of California.

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.

6440-011-0042—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..... 65,025,000

Schedule:

San Francisco Campus:

(1) 99.02.145-Medical Sciences Building Improvements, Phase 2—Construction..... 15,319,000

Santa Barbara Campus:

(2) 99.08.130-Education and Social Sciences Building—Construction.... 49,706,000

Provisions:

1. If savings are identified 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, those savings may be used for the following purposes: (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, 2007.

6440-301-6048—For capital outlay, University of California, payable from the 2006 Higher Education Capital Outlay Bond Fund..... 160,290,000  
Schedule:

Davis Campus:

- (1) 99.03.350-Veterinary Medicine  
3B—Preliminary plans..... 3,100,000
- (1.3) 99.03.355-King Hall Renovation  
and Expansion—Preliminary  
plans, working drawings, and  
construction..... 17,925,000

Irvine Campus:

- (2) 99.09.345-Biological Sciences Unit  
3—Equipment..... 3,268,000
- (2.5) 99.09.360-Primary Electrical Im-  
provements Step 3—Preliminary  
plans, working drawings, and  
construction..... 2,571,000

Merced Campus:

- (3) 99.11.045-Social Sciences and  
Management Building—Prelimi-  
nary plans and working drawings.... 2,667,000

Riverside Campus:

- (4) 99.05.205-Student Academic Sup-  
port Services Building—Construc-  
tion..... 18,035,000
- (5) 99.05.210-Culver Center for the  
Arts—Working drawings and con-  
struction..... 8,065,000
- (6) 99.05.220-Boyce Hall and Webber  
Hall Renovations—Preliminary  
plans..... 900,000

San Diego Campus:

- (7) 99.06.355-Mayer Hall Addition and Renovation—Construction..... 13,126,000
- (8) 99.06.385-Chilled Water and Electrical Distribution Improvements—Working drawings and construction..... 3,157,000

San Francisco Campus:

- (9) 99.02.145-Medical Science Building Improvements, Phase 2—Construction..... 16,379,000
- (10) 99.02.150-Electrical Distribution Improvements, Phase 2—Preliminary plans..... 525,000

Santa Barbara Campus:

- (10.5) 99.08.130-Education and Social Sciences Building—Construction..... 24,616,000
- (11) 99.08.135-Arts Building Seismic Correction and Renewal—Preliminary plans and working drawings.... 1,855,000
- (12) 99.08.145-Davidson Library Addition and Renewal—Preliminary plans..... 1,250,000
- (13) 99.08.150-Phelps Hall Renovation—Preliminary plans and working drawings..... 1,100,000
- (14) 99.08.155-Infrastructure Renewal, Phase 1—Preliminary plans..... 489,000

Santa Cruz Campus:

- (15) 99.07.165-McHenry Project—Working drawings and construction..... 6,821,000
- (16) 99.07.175-Digital Arts Facility—Construction..... 19,751,000
- (17) 99.07.180-Infrastructure Improvements, Phase 1—Working drawings and construction..... 7,833,000
- (18) 99.07.185-Infrastructure Improvements, Phase 2—Preliminary plans..... 367,000
- (19) 99.07.190-Biomedical Sciences Facility—Preliminary plans and working drawings..... 6,490,000

Provisions:

- 1. If savings are identified in funds encumbered from this general obligation bond fund for con-



struction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, those savings may be used for the following purposes: (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 in 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, 2007.
3. The appropriation made in this item for studies, preliminary plans, working drawings, or minor capital outlay shall be available for expenditure until December 31, 2007. In addition, the bal-

ance of every appropriation made in this item that contains funding for construction that has not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before December 31, 2007, shall revert as of that date.

- 4. The funds appropriated in Schedule (0.5) shall provide funding for a new energy/nanotechnology research building to support the Lawrence Berkeley National Laboratory's research on the conversion of solar energy into a carbon-neutral form of energy. The funds appropriated shall be equally matched with private funding and federal funds.

6440-302-6048—For capital outlay, University of California, payable from the 2006 Higher Education Capital Outlay Bond Fund..... 179,665,000  
Schedule:

Berkeley Campus:

- (1) 99.01.250-Birge Hall Infrastructure Improvements—Preliminary plans, working drawings, and construction..... 10,350,000

Irvine Campus:

- (3) 99.09.355-Social and Behavioral Sciences Building—Construction.... 37,582,000
- (5) 99.09.365-Humanities Building—Preliminary plans and working drawings..... 1,749,000

Los Angeles Campus:

- (6) 99.04.265-Life Sciences Replacement Building—Construction..... 38,576,000

Riverside Campus:

- (7) 99.05.215-Geology Building Renovations, Phase 2—Preliminary plans, working drawings, and construction..... 9,025,000

San Diego Campus:

- (8) 99.06.375-Structural and Materials Engineering Building—Preliminary plans, working drawings, and construction..... 75,057,000

Santa Barbara Campus:

- (9) 99.08.140-Electrical Infrastructure Renewal, Phase 2—Construction.... 6,328,000

Division of Agriculture and Natural Resources:

(10)	99.10.060-Kearney REC Pressure Irrigation System—Preliminary plans, working drawings, and construction.....	998,000
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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 in 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 nonstate funds.
3. The University of California shall complete each project identified in the above schedule without any change to its scope. The scope of a project, 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 until December 31, 2008, except that the funds appropriated for construction only must be bid by December 31, 2007, and are available for expenditure until December 31,

2008, and that the funds appropriated for equipment purposes are available for encumbrance until December 31, 2009. 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 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 in 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.
7. The projects identified in Schedules (3), (4), and (5) may utilize design-build construction consis-

tent with practices, policies, and procedures of the University of California.

6440-401—Identified savings in funds encumbered from Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, 2002, and 2004 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, 2002, and 2004 to fund minor capital outlay projects.

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 purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances as of June 30, 2006, 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, 2007:

0001—General Fund

(1) Item 6440-001-0001 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

Provisions:

1. Of the funds reappropriated in this item from Item 6440-001-0001 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$15,000,000 shall be available for de-

ferred maintenance, special repair projects, and the replacement of instructional equipment. As of June 30, 2006, the balance of the funds from that item in excess of \$15,000,000 shall revert to the General Fund.

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, 2006, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), by September 30, 2006, and the expenditures made pursuant to this item by September 30, 2007.

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 in those appropriations, unless otherwise specified:

0574—1998 Higher Education Capital Outlay Bond Fund

- (1) Item 6440-302-0574, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Los Angeles Campus:

- (1) 99.04.265-Life Sciences Replacement Building—Construction

6028—2002 Higher Education Capital Outlay Bond Fund

- (1) Item 6440-302-6028, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Los Angeles Campus:

- (1) 99.04.265-Life Sciences Replacement Building—Construction

6041—2004 Higher Education Capital Outlay Bond Fund

- (1) Item 6440-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Riverside Campus:

- (5) 99.05.200-Environmental Health and Safety Expansion—Preliminary plans and working drawings

Santa Cruz Campus:

- (16) 99.07.175-Digital Arts Facility—Working drawings

- (2) Item 6440-302-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Los Angeles Campus:

(5.5) 99.04.265-Life Sciences Replacement Building—Construction

Riverside Campus:

(6) 99.05.190-Materials and Science and Engineering Building—Construction

6440-495—Reversion, University of California. As of June 30, 2006, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund from which the appropriations were made:

6041—2004 Higher Education Capital Outlay Bond Fund

(1) Item 6440-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Berkeley Campus:

(1) 99.01.225-Seismic Safety Corrections, Gianini Hall—Preliminary plans

San Francisco Campus:

(11) 99.02.145-Medical Sciences Building Improvements, Phase 2—Construction

(2) Item 6440-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 6440-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Santa Barbara Campus:

(17) 99.08.130-Education and Social Sciences Building—Construction

6600-001-0001—For support of Hastings College of the Law..... 10,671,000

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.

6610-001-0001—For support of the California State University..... 2,704,147,000

Schedule:

(1) Support..... 2,904,933,000

(3) Reimbursements..... -200,786,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00, except as otherwise provid-

- ed by the applicable sections of the Government Code referred to in Section 31.00.
2. Of the amount appropriated in this item, \$350,000 is for transfer to the Affordable Student Housing Revolving Fund for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.
  3. Of the amount appropriated in this item, \$1,878,000 is for repayment of the \$17,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1994–95 fiscal year. It is the intent 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.
  6. Of the amount provided in Schedule (1), \$1,365,000 is appropriated to enhance the capacity of science and math teacher credential programs to implement the Science and Math Teacher Initiative. Of this amount, \$652,000 is one-time. The university shall report to the Legislature and the Governor by April 1, 2007, on its progress toward increasing the quality and supply of science and math teachers.
  - 7.5. Of the amount appropriated in Schedule (1), \$47,519,000 is to fund 8,306 additional state-supported full-time-equivalent students (FTES) at the California State University (CSU), based on a marginal General Fund cost of \$5,597 per additional student. As a result, the Legislature



expects CSU to enroll a total of 324,825 state-supported FTES during the 2006–07 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate supported summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2007, and a final report by May 1, 2007, on whether it has met the 2006–07 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its total state-supported enrollment goal by at least 415 FTES, the Director of Finance shall revert to the General Fund by May 15, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

8. Of the amount appropriated in Schedule (1), \$560,000 is to support 280 full-time-equivalent students in entry-level master's degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of the Education Code. The funding is intended as a supplement to marginal cost support provided in the California State University's enrollment growth funding, in recognition of the higher costs associated with entry-level master's degree programs in nursing.
9. Of the amount provided in Schedule (1), \$1,720,000 is appropriated to fund the full cost of a minimum of 130 full-time equivalent (FTE) students in entry-level master's degree programs in nursing. The university shall report to the Legislature and the Governor by May 1, 2007, on its progress toward meeting this enrollment goal.
10. Of the amount provided in Schedule (1), \$52,000,000 is provided for student academic preparation and student support services programs. The university shall provide \$45,000,000 and the state shall 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, 2007.

12. Of the amount provided in Schedule (1), \$371,000 is appropriated to support the addition of 35 full-time-equivalent students in baccalaureate degree programs in nursing in the 2006–07 academic year. The funding shall be used to support the full state cost of serving these students, at a rate of \$10,588 per student. On or before May 1, 2007, the California State University shall report to the Legislature the number of additional full-time-equivalent students enrolled in these programs in the 2006–07 academic year, compared to the number enrolled in the 2005–06 academic year. In the event that the California State University enrolls fewer than the 35 additional students for which funding is provided, the funding associated with the enrollment shortfall shall revert to the General Fund. The Director of Finance shall make that reversion on or before May 15, 2007.

13. Of the amount provided in Schedule (1), \$2,000,000 is appropriated on a one-time basis for startup costs associated with the expansion of nursing programs. Specifically, the Legislature intends that these funds be used to prepare for the enrollment in the 2007–08 academic year of 340 additional undergraduate full-time-equivalent nursing students above enrollment levels in the 2006–07 academic year. The Legislature intends that these additional nursing students be funded out of the California State University’s enrollment funding for the 2007–08 academic year, with additional funding to be provided to recognize the higher costs imposed by nursing students.

6610-001-0890—For support of the California State University, payable from the Federal Trust Fund... 39,000,000  
Provisions:

1. All funds deposited in the Federal Trust Fund for the California State University for the purposes of this item and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act, pursuant to subdivision (a) of Section 89753 of the Education Code.

6610-002-0001—For support of the California State University for transfer to and in augmentation of Item 6610-001-0001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate, Executive, and Judicial Fellows programs and the Center for California Studies..... 2,991,000

Schedule:

- (1) Center for California Studies—Fellows Program..... 602,000
- (2) Center for California Studies—Other..... 37,000
- (3) Assembly Fellows..... 565,287
- (4) Senate Fellows..... 565,287
- (5) Executive Fellows..... 565,287
- (6) Judicial Fellows..... 402,139
- (7) LegiSchool Project..... 114,000
- (8) Sacramento Semester Internship Program..... 56,000
- (9) Unscheduled..... 84,000

6610-002-6048—For support of the California State University, payable from the 2006 Higher Education Capital Outlay Bond Fund..... 50,000,000

6610-003-0001—For support of the California State University for payments on lease-purchase bonds.... 64,597,000

Schedule:

- (1) Rental, insurance, and administrative payments..... 64,857,000
- (2) Reimbursements..... -260,000

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.

6610-301-6028—For capital outlay, California State University, payable from the 2002 Higher Education Capital Outlay Bond Fund..... 43,553,000

Schedule:

- (1) 06.52.109-Chico: Student Services Center—Construction..... 42,252,000

(2) 06.51.008-California Maritime Academy: Acquisition..... 1,301,000

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank correction 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

6610-301-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 3,320,000

Schedule:

(1) 06.73.096-Los Angeles: Corporation Yard and Public Safety—Preliminary plans and working drawings..... 787,000

(2) 06.83.002-Channel Islands: Infrastructure Improvements, Phases 1A and 1B—Preliminary plans and working drawings..... 2,533,000

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.

6610-301-6048—For capital outlay, California State University, payable from the 2006 Higher Education Capital Outlay Bond Fund..... 157,916,000

Schedule:

- (1) 06.48.315-Systemwide: Minor Capital Outlay—Preliminary plans, working drawings and construction..... 25,000,000
- (2) 06.64.082-East Bay (Hayward): Student Services Replacement Building—Construction..... 38,938,000
- (3) 06.67.087-Humboldt: Behavioral and Social Sciences, Phase 1—Equipment..... 2,229,000

(4) 06.71.110-Long Beach: Peterson Hall 3 Replacement—Construction.....	82,696,000
(5) 06.74.007-Monterey Bay: Infrastructure Improvements—Equipment....	257,000
(6) 06.84.105-San Francisco: School of the Arts—Acquisition.....	6,930,000
(7) 06.96.116-San Luis Obispo: Center for Science—Preliminary plans.....	1,866,000

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 plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

No later than March 1 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.

2. The appropriation made by this item for studies, preliminary plans, working drawings or minor capital outlay shall be available for expenditure until December 31, 2007. In addition, the balance of every appropriation made in this item

that contains funding for construction that has not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before December 31, 2007, shall revert as of that date.

6610-302-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 1,979,000

Schedule:

- (1) 06.50.065-Bakersfield: Nursing Renovation—Preliminary plans, working drawings and construction..... 1,979,000

Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the California State University may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
2. The California State University shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from 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.
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.
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 1990, (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.
  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.
  6. Notwithstanding any other provision of law, the appropriation made in this item is available for encumbrance until December 31, 2008, except that the funds appropriated for construction only must be bid by December 31, 2007, and are available for expenditure until December 31, 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.

6610-302-6048—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 2006..... 76,127,000

Schedule:

- (1) 06.51.009-Maritime Academy: Simulation Center—Equipment.... 3,618,000
- (2) 06.64.080-East Bay (Hayward): Business and Technology Center—Equipment..... 1,544,000
- (3) 06.68.123-San Marcos: Social and Behavioral Sciences Building—Preliminary plans..... 1,078,000
- (4) 06.78.092-San Bernardino: Science Building Renovation and Addition, Phase II—Equipment..... 1,573,000
- (5) 06.78.093-San Bernardino: College of Education—Equipment..... 2,438,000
- (6) 06.82.086-Northridge: Performing Arts Center—Working drawings and construction..... 56,528,000
- (7) 06.92.064-Stanislaus: Science II (Seismic)—Equipment..... 4,951,000
- (8) 06.96.115-San Luis Obispo: Engineering/Architecture Renovation and Replacement, Phase II—Equipment..... 4,397,000

Provisions:

- 1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the California State University may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
- 2. The California State University shall complete each project identified in the above schedule

within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from 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.

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.
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 1990, (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.
5. No later than March 1 of each year, the California State University shall submit a report detail-

ing 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.

6. Notwithstanding any other provision of law, the appropriation made by this item is available for encumbrance until December 31, 2008, except that the funds appropriated for construction only must be bid by December 31, 2007, and are available for expenditure until December 31, 2008, and that the funds appropriated for equipment purposes are available for encumbrance until December 31, 2009. 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 4.

6610-401—Identified savings in funds encumbered from Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, 2002, and 2004 for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering

evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

No later than 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 chairpersons of the fiscal committees of each house of the Legislature.

6610-402—In recognition of the transition of the deposit of fee revenue from the State General Fund to the CSU local trust funds, the CSU, with DOF approval, shall annually calculate a base funding adjustment that represents the amount necessary to maintain fiscal neutrality for the State General Fund.

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:

0001—General Fund

(1) Item 6610-001-0001, Budget Act of 2005 (Chs. 38/39, Stats. 2005)

Provisions:

1. Of the funds reappropriated in this item from Item 6610-001-0001, Budget Act of 2005 (Chs. 38/39, Stats. 2005), 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, 2006, 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, 2006, report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance as of June 30, 2006, of Item 6610-001-0001 of the Budget Act of 2005 (Chs. 38/39, Stats. 2005), and a

proposed expenditure plan for that balance. The California State University shall report by September 30, 2007, on the expenditures made pursuant to this item.

6610-491—Reappropriation, California State University. 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:

6028—2002 Higher Education Capital Outlay Bond Fund

(1) Item 6610-301-6028, Budget Act of 2003 (Ch. 157, Stats. 2003)

(2) 06.51.008-California Maritime Academy—Acquisition

6041—2004 Higher Education Capital Outlay Bond Fund

(1) Item 6610-302-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)

(1) 06.50.064-Bakersfield: Math and Computer Science Building—Construction

(5) 06.62.095-Fullerton: College of Business and Economics Building—Construction

(9) 06.51.009-California Maritime Academy: Simulation Center—Construction

(11) 06.82.085-Northridge: Science I Replacement—Construction

(12) 06.98.108-Pomona: Science Renovation, Seismic—Construction

(16) 06.96.115-San Luis Obispo: Engineering/Architecture Renovation and Replacement, Phase II—Construction

(2) Item 6610-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1.5) 06.54.081-Dominguez Hills: Educational Resource Center Addition—Construction

(3) 06.71.107-Long Beach: Seismic Upgrade, Liberal Arts 2, 3, and 4—Construction

(3.5) 06.71.110-Long Beach: Peterson Hall 3 Replacement Building—Working drawings

(3) Item 6610-302-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(15) 06.90.086-Sonoma: Music/Faculty Office Building—Construction

6610-496—Reversion, California State University. As of June 30, 2006, the unencumbered balances of the appropriations provided for in the following citations shall revert to the funds from which the appropriations were made:		
6028—2002 Higher Education Capital Outlay Bond Fund		
(1) Item 6610-302-6028, Budget Act of 2003 (Ch. 157, Stats. 2003)		
(1) 06.52.109-Chico: Student Services Center—Construction		
6041—2004 Higher Education Capital Outlay Bond Fund		
(1) Item 6610-302-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)		
(1) 06.52.109-Chico: Student Services Center—Equipment		
6870-001-0001—For support of Board of Governors of the California Community Colleges.....		9,397,000
Schedule:		
(1) 10-Apportionments.....	855,000	
(2) 20-Special Services and Operations.....	16,317,000	
(3) 30.01-Administration.....	4,131,000	
(4) 30.02-Administration—Distributed.....	-4,131,000	
(5) Reimbursements.....	-7,775,000	
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. It is intended that the first report for the district-specific accountability system be provided in March 2007, reflecting outcomes from the 2005–06 fiscal year in context as specified in the enacted legislation.

6870-001-0909—For support of 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 Community College Fund for Instructional Improvement..... 13,000

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..... 12,000

6870-001-6028—For support of Board of Governors of the California Community Colleges, Program 20.40.010-Facilities Planning, payable from the 2002 Higher Education Capital Outlay Bond Fund..... 1,716,000

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)..... 3,763,712,000

Schedule:

(1) 10.10.010-Apportionments..... 2,978,017,000

(2) 10.10.020-Basic Skills and Apprenticeship..... 48,339,000

(3) 10.10.030-Growth for Apportionments..... 107,508,000

(4) 20.10.005-Student Financial Aid Administration..... 52,593,000

(5)	20.10.020-Disabled Students.....	107,870,000
(6)	20.10.045-Special Services for CalWORKs Recipients.....	43,580,000
(7)	20.10.060-Foster Care Education Program.....	4,754,000
(8)	20.10.070-Matriculation.....	95,481,000
(9)	20.20.020-Academic Senate for the Community Colleges.....	467,000
(10)	20.20.041-Equal Employment Op- portunity pursuant to Ch. 1169, Stats. 2002.....	1,747,000
(11)	20.20.050-Part-time Faculty Health Insurance.....	1,000,000
(12)	20.20.051-Part-time Faculty Com- pensation.....	50,828,000
(13)	20.20.055-Part-time Faculty Office Hours.....	7,172,000
(14)	20.30.011-Telecommunications and Technology Services.....	26,197,000
(15)	20.30.050-Economic Develop- ment.....	46,790,000
(16)	20.30.070-Transfer Education and Articulation.....	1,424,000
(17)	20.40.026-Physical Plant and In- structional Support.....	27,345,000
(18)	20.10.010-Extended Opportunity Programs and Services and Spe- cial Services.....	112,916,000
(19)	20.30.045-Fund for Student Suc- cess.....	6,158,000
(20)	20.70.010-Career Technical Educa- tion.....	20,000,000
(21)	20.80.010-Campus Childcare Tax Bailout.....	6,540,000
(22)	20.90.010-Baccalaureate Pilot Pro- gram.....	100,000
(23)	20.95.010-Nursing Program Sup- port.....	16,886,000

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), (18), and (21) are for transfer by the State Controller during the 2006–07 fiscal year to Section B of the State School Fund.
2. The funds appropriated in Schedule (1) for apportionments reflect the intent of the Legislature



- to defer \$200,000,000 for apportionments to the 2007–08 fiscal year, pursuant to separate legislation enacted for the 2006–07 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. The funds appropriated in Schedule (1) for Apportionments include \$31,409,000 to encourage district-level accountability efforts pursuant to Chapter 73 of the Statutes of 2005. 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 of the California Community Colleges 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 of the California Community Colleges.
    - (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.
  7. Notwithstanding any other provision of law, \$33,110,000 of the funds appropriated in

Schedule (2) for the Basic Skills and Apprenticeship Program is for allocation to community college districts in the 2006–07 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 2006–07 fiscal year exceeds the level of total FTES funded for that district in the 2006–07 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.

8. Of the funds appropriated in Schedule (1) for Apportionments, \$159,439,000 is for equalization pursuant to this provision, and shall be allocated pursuant to legislation enacted during the 2005–06 legislative session. These funds shall not be considered to be Program Improvement funds pursuant to Title 5 regulations.
- 8.5. Of the funds appropriated in Schedule (1) for Apportionments, \$30,000,000 is available as supplemental funding for career and college preparation courses authorized pursuant to legislation enacted during the 2005–06 legislative session. The Board of Governors of the California Community Colleges shall adopt criteria and standards for both the identification of career and college preparation courses and eligibility of these courses for funding. The criteria and standards shall be based on recommendations from the Chancellor of the California Community Colleges, the statewide academic senate, and the statewide association of chief instructional officers. The chancellor shall forward the recommended criteria and standards to the Governor, the Legislature, and the Director of the Finance.
9. Of the funds appropriated in Schedule (2) for the Basic Skills and Apprenticeship Program, any funds not required to meet the demand for the program funded under that schedule shall be made available on a one-time basis for enhancements to basic skills and immigrant education programs, including, but not limited to, curriculum development, course articulation, research, professional development, instructional equipment, counseling, and tutoring. Funds shall be

allocated to districts on the basis of full-time-equivalent students in basic skills and immigrant education programs.

10. (a) Of the amount appropriated in Schedule (2) for the Basic Skills and Apprenticeship Program, up to \$15,229,000 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.
11. Notwithstanding any other provision of law, funds appropriated in Schedule (3) for Growth for Apportionments 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 of the California Community Colleges shall implement the criteria required by Provision 5(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003) for the allocation of funds appropriated

in Schedules (1) and (3), so as to ensure 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.

- 11.5. Of the amount appropriated in Schedule (3), \$10,000,000 shall only be available for noncredit instruction to prepare students to pass the California High School Exit Exam (CAHSEE). First priority shall be to serve high school students from the class of 2006 who met all other graduation requirements except for passage of the CAHSEE. Remaining funds may be used to support other necessary noncredit courses for other students who not only did not pass the CAHSEE, but who did not complete other coursework necessary to meet high school graduation requirements. These funds are intended to supplement but not supplant existing funding for these purposes.
12. (a) Of the funds appropriated in Schedule (4) for Student Financial Aid Administration, not less than \$9,923,000 is available to provide \$0.91 per 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 \$5,670,000 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 (CCC) 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 Web site 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 personal assistance to these students 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, 2007, 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, 2006, pursuant to Provision 10(b)(5) of Item 6870-101-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of fee increases and outreach efforts on student headcount and FTES enroll-

ment for the 2003 and 2004 academic years.

13. Of the funds appropriated in Schedule (18) for Extended Opportunity Programs and Services, \$98,374,000 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. \$14,542,000 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 to local programs on the basis of need for student services.
14. Of the funds appropriated in Schedule (19) for the Fund for Student Success, \$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 fiscal year 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.

15. (a) The funds appropriated in Schedule (5) for the Disabled Students Program 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), \$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 any portion of the 2006–07 fiscal year, remaining 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 2006–07



fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.

- (e) Of the funds appropriated in Schedule (5) for the Disabled Student Services, \$9,600,000 shall be allocated to support high-cost sign language interpreter services and real-time captioning equipment or other communication accommodations for hearing-impaired students based on a 4 to 1 state to local district match.
16. 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), \$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 2006–07 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 informa-

tion. 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, 2006, 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 2007, 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 work-study 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 Department of Finance and State Department of 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 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, 2006, 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.

Of the funds appropriated in Schedule (6) for the Special Services for CalWORKs Recipients Program, no less than \$8,000,000 is to provide direct workstudy wage reimbursement for students served under this program. \$1,000,000 shall be available for campus job development and placement services.

17. Funds appropriated in Schedule (6) for the Special Services for CalWORKs Recipients Program 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.

18. (a) Funds provided in Schedule (7) for the Foster Care Education Program 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 State Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.

19. (a) Funds appropriated in Schedule (8) for the Matriculation Program 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 \$20,000,000 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.
20. The funds in Schedule (12) for the Part-time Faculty Compensation Program 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.
21. (a) \$10,350,000 of the funds provided in Schedule (14) for the Telecommunications and Technology Services Program 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 dis-

tance education. The funds appropriated in this item shall not supplant existing funds and shall be subject to established fiscal controls, annual reporting, and accountability requirements specified by the chancellor. The chancellor shall develop criteria for the allocation of these funds. As a condition of receipt of the funds, colleges are required to submit to the chancellor's office reports in a format specified by the chancellor sufficient to document the value and productivity of this program, including, but not limited to, numbers and nature of courses converted, and the amount of distance education instructional workload services provided as a result of these courses. It is intended that the chancellor's office further develop the reporting criteria for participating colleges and submit that for review along with an annual progress report on program implementation to the Legislative Analyst, Office of the Secretary for Education, and the Department of Finance no later than November 1 of each year, for review and comment.

- (d) Of the funds provided in Schedule (14), \$2,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success Program (Cal-PASS).
22. Of the funds provided in Schedule (15) for the Economic and Workforce Development Program:
- (a) \$22,830,000 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) \$7,822,000 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) \$3,609,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
- (d) \$4,529,000 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.
- (d1) \$8,000,000 is allocated for the establishment of a Responsive Incumbent Worker Training Fund, which will serve to expand the delivery of performance improvement training to employers and incumbent workers in high-growth industries. Funds shall also be used to develop programs that integrate basic skills and career technical education curriculum in ways that provide students with seamless educational coursework that transitions students into high tech and high demand job sectors.
- (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) 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.
  - (g) 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 improvement training, credit and noncredit instruction, and job placements created as a result of each center and collaborative.
23. (a) The funds appropriated in Schedule (16) for the Transfer Education and Articulation Program are available to support transfer and articulation projects and common course numbering projects.

- (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.
24. (a) \$13,673,000 of the funds appropriated in Schedule (17) is available for the following purposes:
- (1) Scheduled maintenance and special repairs of facilities. 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 for 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.
  - (2) Hazardous substances abatement, cleanup, and repairs.
  - (3) 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.
- (b) \$13,672,000 of the funds appropriated in Schedule (17) is available for replacement

of instructional equipment and library materials. 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 Chancellor of the California Community Colleges may waive all or a portion of the matching requirement based upon a review of a district's financial condition. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses. The chancellor shall allocate funds to districts on the basis of actual reported FTES and may establish a minimum allocation per district. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district.

- (c) The funds appropriated in Schedule (17) shall be available for expenditure until June 30, 2007.
- 25. 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.
- 26. The funds appropriated in Schedule (20) for the Career Technical Education Program are for the purpose of aligning career-technical education curriculum between K-12 and community colleges in targeted industry-driven programs offered through the Economic Development Program. Prior to the allocation of these funds, the Chancellor of the California Community Colleges shall submit a proposed expenditure plan for the funds contained in this item, and the rationale therefor, to the Department of Finance for review and approval by August 1, 2006.

Of the funds appropriated in Schedule (20), \$2,500,000 is available for the development and

enhancement of health-related career pathway programs in grades 7 to 12, inclusive, and for the articulation and alignment of health-related curriculum between schools with students in kindergarten and grades 1 to 12, inclusive, and the California Community Colleges. The California Community Colleges shall report to the Legislature and the Governor on the usage and efficacy of these funds on or before January 10, 2008.

27. The funds appropriated in Schedule (21) for the Campus Childcare Tax Bailout shall be allocated by the Chancellor of the California Community Colleges 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.
28. The funds appropriated in Schedule (22) for the Baccalaureate Pilot Program shall be allocated by the chancellor to support up to two grants, not to exceed fifty thousand dollars (\$50,000) each, to fund collaboratives formed for the purpose of offering baccalaureate degree programs on community college campuses pursuant to Section 78016.5 of the Education Code.
29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:
  - (a) \$4,000,000 shall be used to provide support for nursing program enrollment and equipment needs consistent with paragraph (2) of subdivision (a) of Section 2 of Chapter 514 of the Statutes of 2001.
  - (b) \$12,886,000 shall be used to provide additional support for nursing program enrollment, diagnostic and support services, preentry coursework, alternative program

delivery model development, and equipment. Grant funding for nursing enrollment shall provide a marginal increase in funding in addition to the amount provided for each full-time-equivalent student for regular growth in apportionments.

- (c) The Board of Governors of the California Community Colleges shall develop a request for applications (RFA) to allocate the funds appropriated in subdivision (b) to community college districts. Criteria for assessing each RFA shall include all of the following:
  - (1) The degree to which the funds provided would be used to increase student enrollment in nursing programs beyond the level of full-time-equivalent students served in the 2005–06 academic year.
  - (2) The district’s level of attrition from nursing programs and the suitability of planned expenditures to address attrition levels.
  - (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.
  - (4) For districts with attrition rates of 15 percent or more, new grant funding shall focus on attrition reduction. For districts with attrition rates below 15 percent, new grant funding shall focus on enrollment expansion.
- (d) The Board of Governors shall release the RFA no sooner than 30 days after submitting it to the Legislature and the Department of Finance for review.
- (e) On or before March 1 of each year, 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 include all of the following: (1) the amount of funding received, (2) the number of nursing full-time-equivalent students served in the 2004–05 academic year, and the additional number of nursing full-time-

equivalent students served with funding provided in this item in each subsequent year, (3) the district's attrition and completion rates in the 2004-05 academic year and subsequent years, (4) any equipment or infrastructure-related items acquired with the funds appropriated in this item, and (5) the number of new and existing faculty receiving annual stipend awards.

6870-101-0909—For local assistance, Board of Governors of the California Community Colleges, payable from the Community College Fund for Instructional Improvement..... 302,000

Schedule:

(2) 20.30.022-Instructional Improvement Loans..... 302,000

6870-101-0925—For local assistance, Board of Governors of the California Community Colleges, Program 20.30.050-Economic Development, payable from California Business Resources and Assistance Innovation Network Fund..... 18,000

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..... 63,960,000

Schedule:

(1) Rental and administration..... 64,199,000

(2) Reimbursements..... -239,000

Provisions:

1. The funds appropriated in this item are for transfer by the Controller to Section B of the State School Fund.
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise needed to ensure debt requirements are met.
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

(1) 10.20-CalWORKs Services..... 8,000,000

(2) 20.10.060-Foster Parent Training....	6,112,000
(3) 20.30.030-Vocational Education....	59,620,000
(4) 20.40.010-Facilities Planning.....	349,000
(5) 20.30.050-Economic Development.....	349,000
(5.5) 20.30.011-Telecommunications and Technology Infrastructure.....	292,000
(6) Reimbursements.....	-74,722,000

Provisions:

1. The funds appropriated in Schedules (1) and (3) of this item are for transfer by the State 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 that 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 Office of the Chancellor of the California Community Colleges describing 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. The funds appropriated in Schedule (4) reflect an interagency agreement between the Chancellor of the California Community Colleges and the State Energy Resources Conservation and Development Commission for the purpose of developing an Interval Meter Pilot Program on selected community college campuses.
4. Of the funds appropriated in Schedule (5) for the Economic Development Program: (a) \$177,000 shall be used for small business training consistent with an interagency agreement with the Employment Training Panel, and (b) \$172,000 shall be used for job training activities consistent with an interagency agreement with the California Department of Transportation.
5. The funds appropriated in Schedule (5.5) shall be used to support Phase 2 of the CCCTAN project.
6. Of the funds appropriated in Schedule (3), \$2,879,000 is a one-time carryover available for



the support of additional vocational education instructional activities. These funds shall be used during the 2006–07 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 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.

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..... 4,004,000

Schedule:

- (1) 98.01.000.184-Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.) (CSM-4206)..... 3,988,500
- (2) 98.01.090.896-Sex Offenders: Disclosure Requirements (Ch. 908, Stats. 1996) (CSM-97-TC-15)..... 11,000
- (3) 98.01.028.498-Law Enforcement Jurisdiction Agreements (Ch. 284, Stats. 1998) (CSM-98-TC-20)..... 4,500

Provisions:

- 1. Allocation of funds appropriated in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
- 2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the

Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

- 3. In addition to funds provided in Schedules (1), (2), and (3), community colleges shall also receive a proportionate share of funding provided in Item 6110-295-0001 to fund the mandates in Schedules (1), (2), and (3) of this item consistent with Provision 1 of Item 6110-295-0001.

6870-301-0574—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the 1998 Higher Education Capital Outlay Bond Fund..... 21,053,000

Schedule:

Contra Costa Community College District  
Contra Costa College

- (1) 40.13.106-Art Building Seismic Retrofit—Preliminary plans and working drawings..... 595,000

Rio Hondo Community College District  
Rio Hondo College

- (2) 40.43.106-Applied Technology Building Reconstruction—Construction and equipment..... 15,775,000

San Diego Community College District  
San Diego District Office

- (3) 40.47.001-Seismic Retrofit, District Headquarters Building—Construction..... 4,683,000

6870-301-6028—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the 2002 Higher Education Capital Outlay Bond Fund..... 43,780,000

Schedule:

Desert Community College District

College of the Desert		
(1) 40.10.113-Water and Sewer Infrastructure Replacement—Construction.....	3,104,000	
San Bernardino Community College District		
San Bernardino Valley College		
(2) 40.46.215-North Hall Seismic Replacement—Preliminary plans and working drawings.....	1,694,000	
(3) 40.46.216-North Hall/Media Communications Seismic Replacement—Preliminary plans and working drawings.....	663,000	
(4) 40.46.217-Chemistry and Physical Science Seismic Replacement—Preliminary plans and working drawings.....	1,919,000	
San Luis Obispo County Community College District		
Cuesta College		
(4.5) 40.51.112-Theater Arts Building—Construction and equipment.....	24,392,000	
San Mateo County Community College District		
Skyline College		
(5) 40.52.310-Allied Health Vocational Training Center—Construction and equipment.....	12,008,000	
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.....		42,131,000
Schedule:		
Chaffey Community College District		
Chaffey College		
(1) 40.08.112-Health and Physical Science Building Renovation—Construction and equipment.....	11,587,000	
Citrus Community College District		
Citrus College		
(2) 40.09.123-Vocational Technology Building—Construction and equipment.....	15,431,000	
Contra Costa Community College District		
Los Medanos College		

(3) 40.13.315-Core Building Remodel—Construction and equipment....	3,205,000
Santa Barbara Community College District	
Santa Barbara City College	
(4) 40.53.123-Drama/Music Building Modernization—Construction and equipment.....	11,908,000
6870-301-6049—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 2006 California Community College Capital Outlay Bond Fund.....	39,733,000
Schedule:	
Allan Hancock Community College District	
Allan Hancock College	
(1) 40.02.118-One-Stop Student Services Center—Preliminary plans and working drawings.....	1,466,000
Antelope Valley Community College District	
Antelope Valley College	
(2) 40.03.114-Theatre Arts Facility—Preliminary plans and working drawings.....	872,000
Barstow Community College District	
Barstow College	
(3) 40.04.104-Performing Arts Center—Preliminary plans and working drawings.....	644,000
Contra Costa Community College District	
Contra Costa College	
(4) 40.13.107-Physical/Biological Science Buildings Renovation—Preliminary plans and working drawings....	734,000
Los Medanos College	
(5) 40.13.316-Art Area Remodel—Preliminary plans and working drawings.....	209,000
Los Angeles Community College District	
East Los Angeles College	
(6) 40.26.108-Multi-Media Classrooms—Preliminary plans and working drawings.....	1,330,000
Los Rios Community College District	
American River College	

- (7) 40.27.105-Fine Arts Instructional Space Expansion—Preliminary plans and working drawings..... 177,000  
Cosumnes River College
- (8) 40.27.212-Science Building Instructional Expansion—Preliminary plans and working drawings..... 219,000  
Sacramento City College
- (9) 40.27.312-Fine Arts Building Modernization—Preliminary plans and working drawings..... 123,000  
Mt. San Jacinto Community College District  
Menifee Valley Center
- (10) 40.34.213-General Classroom Building—Preliminary plans and working drawings..... 925,000  
Palo Verde Community College District  
Palo Verde College
- (11) 40.37.104-Fine and Performing Arts—Construction and equipment..... 20,827,000  
Palomar Community College District  
Palomar College
- (12) 40.38.114-Multi-Disciplinary Building—Preliminary plans and working drawings..... 3,262,000  
South Orange County Community College District  
Saddleback College
- (13) 40.45.217-Learning Resource Center Renovation—Preliminary plans and working drawings..... 1,156,000  
San Bernardino Community College District  
Crafton Hills College
- (14) 40.46.106-Learning Resource/Technology Center—Preliminary plans and working drawings..... 1,039,000  
San Francisco Community College District  
City College of San Francisco, Phelan Campus
- (16) 40.48.110-Classroom/Lab Complex for Theater, Music, Visual, and Media Arts—Preliminary plans.... 727,000  
San Joaquin Delta Community College District  
San Joaquin Delta College
- (17) 40.49.108-Goleman Learning Resource Center Modernization—Preliminary plans and working drawings..... 959,000

Sequoias Community College District	
College of the Sequoias	
(19) 40.56.115-Nursing and Allied Health Center—Preliminary plans and working drawings.....	721,000
West Valley-Mission Community College District	
West Valley College	
(20) 40.69.110-Science and Math Building Renovation—Preliminary plans and working drawings.....	1,677,000
Mission College	
(21) 40.69.209-Main Building, Second Floor Reconstruction—Preliminary plans and working drawings.....	1,893,000
Feather River Community College District	
Feather River College	
(22) 40.73.105-Learning Resource Center and Technology Building—Preliminary plans and working drawings.....	773,000

Provisions:

1. Notwithstanding any other provision of law, these projects are available for encumbrance until December 31, 2007.

6870-303-0574—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the 1998 Higher Education Capital Outlay Bond Fund..... 9,559,000

Schedule:

Mira Costa Community College District	
Mira Costa College	
(1) 40.31.111-Creative Arts Expansion—Preliminary plans, working drawings, construction, and equipment.....	9,559,000

Provisions:

1. 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 district to use nonstate funds to fund or augment these projects with the State Public Works Board approval.

- 2. 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: (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.
- 3. Notwithstanding any other provision of law, the appropriation made in this item is available for encumbrance during the 2006–07 and 2007–08 fiscal years, except that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2009. 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.

6870-303-6041—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.....

1,883,000

Schedule:

Southwestern Community College District

Southwestern College

- (1) 40.63.107-Fire Loop Road—Preliminary plans, working drawings, and construction..... 1,883,000

Provisions:

- 1. 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 district to use nonstate funds to fund or augment these projects with the State Public Works Board approval.

- 2. 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: (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.
- 3. Notwithstanding any other provision of law, the appropriation made in this item is available for encumbrance during the 2006–07 and 2007–08 fiscal years, except that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2009. 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.

6870-303-6049—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 2006 California Community College Capital Outlay Bond Fund..... 392,109,000

Schedule:

Butte-Glenn Community College District

Butte College

- (1) 40.05.108-Instructional Arts Building—Preliminary plans, working drawings, construction, and equipment..... 12,660,000

Cabrillo Community College District

Cabrillo College

- (2) 40.06.112-Health Wellness Center—Preliminary plans, working drawings, construction, and equipment..... 11,675,000

Citrus Community College District

Citrus College



(3)	40.09.126-Student Services Building—Preliminary plans, working drawings, construction, and equipment.....	5,926,000
	Grossmont-Cuyamaca Community College District Cuyamaca College	
(4)	40.19.118-Business/CIS Building—Preliminary plans, working drawings, construction, and equipment.....	12,903,000
	Grossmont College	
(5)	40.19.210-Health Sciences Building—Preliminary plans, working drawings, construction, and equipment.....	15,696,000
	Hartnell Community College District Hartnell East Campus	
(6)	40.20.103-Center for Applied Technology—Preliminary plans, working drawings, construction, and equipment.....	13,848,000
	Kern Community College District Cerro Coso College	
(7)	40.22.215—Science Modernization—Preliminary plans, working drawings, and construction.....	2,780,000
	Porterville College	
(8)	40.22.307-Wellness Center—Preliminary plans, working drawings, construction, and equipment.....	3,498,000
	Los Angeles Community College District Los Angeles City College	
(9)	40.26.208-Franklin Hall Modernization—Preliminary plans, working drawings, construction, and equipment.....	7,767,000
	Los Angeles Mission College	
(10)	40.26.413-Culinary Arts Center—Preliminary plans, working drawings, construction, and equipment.....	14,548,000
	Los Angeles Pierce College	
(11)	40.26.510-Physical Education Building Renovation—Preliminary plans, working drawings, construction, and equipment.....	9,033,000
	Los Angeles Trade Tech College	

(12) 40.26.703-Renovate and Modernize Building A—Preliminary plans, working drawings, construction, and equipment.....	18,376,000
Los Angeles Valley College	
(13) 40.26.804-Child Development Center—Preliminary plans, working drawings, construction, and equipment.....	9,948,000
Los Rios Community College District	
Folsom Lake College	
(14) 40.27.505-Physical Education Space, Phase I—Preliminary plans, working drawings, and construction.....	6,008,000
Merced Community College District	
Merced College	
(15) 40.30.119-Allied Health Center—Preliminary plans, working drawings, and construction.....	11,449,000
Mt. San Antonio Community College District	
Mt. San Antonio College	
(16) 40.33.116-Design and Online Tech Center—Preliminary plans, working drawings, construction, and equipment.....	13,828,000
Napa Valley Community College District	
Napa Valley College	
(17) 40.35.104-Library/Learning Resource Center—Preliminary plans, working drawings, construction, and equipment.....	16,398,000
North Orange County Community College District	
Cypress College	
(18) 40.36.102-Humanities Building 1 Renovation—Preliminary plans, working drawings, and construction.....	19,037,000
Fullerton College	
(19) 40.36.203-South Science Building Replacement—Preliminary plans, working drawings, and construction.....	31,725,000
Rio Hondo Community College District	
Rio Hondo College	

(20) 40.43.109-Physical Education Facilities—Preliminary plans, working drawings, construction, and equipment.....	21,763,000
Riverside Community College District Norco Campus	
(21) 40.44.308-Industrial Technology Facility, Phase III—Preliminary plans, working drawings, construction, and equipment.....	20,484,000
San Mateo County Community College District Canada College	
(22) 40.52.104-Facility Maintenance Center—Preliminary plans, working drawings, construction, and equipment.....	6,933,000
Skyline College	
(23) 40.52.309-Facility Maintenance Center—Preliminary plans, working drawings, and construction.....	4,639,000
Santa Clarita Community College District College of the Canyons	
(24) 40.54.115-University Center—Preliminary plans, working drawings, construction, and equipment.....	20,974,000
Chabot-Las Positas Community College District Chabot College	
(25) 40.62.115-Language Arts Learning Skills Modernization—Preliminary plans, working drawings, construction, and equipment.....	5,421,000
Southwestern Community College District Southwestern College	
(26) 40.63.108-Music Buildings 800/850 Remodel—Preliminary plans, working drawings, construction, and equipment.....	3,005,000
State Center Community College District Willow International Center	
(27) 40.64.501-Academic Facilities, Phase II—Preliminary plans, working drawings, construction, and equipment.....	19,247,000
Ventura County Community College District Moorpark College	

(28) 40.65.113-Health Science Expansion/Replacement—Preliminary plans, working drawings, construction, and equipment.....	10,359,000
Oxnard College	
(29) 40.65.207-OCTV Auditorium—Preliminary plans, working drawings, construction, and equipment.....	7,511,000
West Hills Community College District West Hills College at Coalinga	
(30) 40.67.104-Wellness Center—Preliminary plans, working drawings, construction, and equipment.....	7,748,000
West Hills College at Lemoore	
(31) 40.67.206-Multi-Use Sports Complex—Preliminary plans, working drawings, construction, and equipment.....	14,967,000
West Kern Community College District Taft College	
(32) 40.68.104-Tech Arts Modernization—Preliminary plans, working drawings, and construction.....	4,430,000
Copper Mountain Community College District Copper Mountain College	
(33) 40.72.101-Remodel for Efficiency—Preliminary plans, working drawings, construction, and equipment.....	7,525,000

Provisions:

1. 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 the approval of the State Public Works Board.

2. The community college districts shall complete each project identified without any change to its scope. The scope of a project, in this context, 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 board of governors to the Department of Finance: (1) the program elements related to project type and (2) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.
3. Notwithstanding any other provision of law, the appropriation made in this item is available for encumbrance during the 2006–07 and 2007–08 fiscal years, except that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2009. 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 \$22,300,000 is reappropriated for local assistance from the Proposition 98 Reversion Account for the purpose of funding a one-time general purpose block grant for community colleges. These funds shall be allocated on the basis of full-time equivalent students, and shall be available for local priorities.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, \$300,000 of the appropriation provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, in that appropriation:

6028—2002 Higher Education Capital Outlay Bond Fund

- (1) Item 6870-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)  
Mt. San Antonio Community College District  
Mt. San Antonio College

(29) 40.33.111-Seismic Retrofit-Four Buildings—Construction

6870-491—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—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) and Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Los Angeles Community College District  
East Los Angeles College

(32) 40.26.107-Fine and Performing Arts Center—Construction and equipment

- (2) Item 6870-301-6028, Budget Act of 2003 (Ch. 157, Stats. 2003)

Mt. San Antonio Community College District  
Mt. San Antonio College

(48) 40.33.113-Remodel Classroom Buildings—Equipment

6041—2004 Higher Education Capital Outlay Bond Fund

- (1) Item 6870-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 6870-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Chaffey Community College District  
Chaffey College

(4) 40.08.112-Health/Physical Science Building Renovation—Working drawings

Los Angeles Community College District  
Los Angeles Pierce College

(26) 40.26.505-Child Development Center—Construction and equipment

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—Construction  
Santa Barbara Community College District

- Santa Barbara City College
- (53) 40.53.122-High Technology Center—Working drawings
- Copper Mountain Community College District
- Copper Mountain College
- (76) 40.72.100-Multi-Use Sports Complex—Construction and equipment
- (2) Item 6870-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)
- Mt. San Antonio Community College District
- Mt. San Antonio College
- (35) 40.33.114-Agriculture Sciences Complex—Construction and equipment
- (3) Item 6870-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- Citrus Community College District
- Citrus College
- (4) 40.09.123-Vocational Technology Building—Working drawings
- Desert Community College District
- College of the Desert
- (5) 40.10.113-Water and Sewer Infrastructure Replacement—Working drawings
- Contra Costa Community College District
- Los Medanos College
- (6) 40.13.315-Core Building Remodel—Working drawings
- El Camino Community College District
- El Camino College
- (7) 40.14.110-Learning Resource Center Addition—Construction and equipment
- Hartnell Community College District
- Hartnell East Campus
- (9) 40.20.102-Center for Assessment and Lifelong Learning—Construction and equipment
- Long Beach Community College District
- Long Beach City College, Pacific Coast Campus
- (11) 40.25.119-Library/Learning Resource Center—Construction and equipment
- Long Beach City College Liberal Arts Campus
- (12) 40.25.201-Library/Learning Resource Center Renovation/Addition—Construction and equipment
- Los Angeles Community College District
- Los Angeles Harbor College

- (14) 40.26.303-Adaptive Physical Education and Physical Education Building Renovation—Construction and equipment
- (15) 40.26.304-Child Development Center—Working drawings, construction, and equipment  
Palo Verde Community College District  
Palo Verde City College
- (26) 40.37.104-Fine and Performing Arts—Working drawings  
Rio Hondo Community College District  
Rio Hondo College
- (29) 40.43.106-Applied Technology Building Reconstruction—Working drawings
- (30) 40.43.108-Learning Resource/High Technology Center—Construction and equipment  
San Francisco Community College District  
Phelan Campus
- (31) 40.48.107-Joint Use Instructional Facility—Working drawings  
John Adams Center
- (32) 40.48.201-John Adams Modernization—Construction  
San Luis Obispo County Community College District  
North County Center
- (34) 40.51.202-Technology and Trades Complex—Construction and equipment  
San Mateo County Community College District  
Skyline College
- (37) 40.52.310-Allied Health Vocational Training Center—Working drawings  
Santa Barbara Community College District  
Santa Barbara City College
- (39) 40.53.123-Drama/Music Building Modernization—Working drawings  
Sonoma County Community College District  
Santa Rosa Jr. College
- (42) 40.61.403-Plover Library Conversion—Construction  
Victor Valley Community College District  
Victor Valley College
- (48) 40.66.116-Seismic Retrofit-Auxiliary Gym—Construction and equipment



6870-492—Reappropriation, California Community Colleges, Proposition 98. The amount of \$1,385,000 from Schedule (16) of Item 6870-101-0001 of the Budget Act of 2005 (Ch. 38, Stats. 2005), is hereby reappropriated and shall be available for encumbrance or expenditure until June 30, 2007, for the following purposes:

- (1) \$545,000 to conduct articulation work associated with the implementation of the California State University's Lower Division Transfer Project.
- (2) \$511,000 to develop common course identification numbers pursuant to Chapter 737 of the Statutes of 2004.
- (3) \$300,000 to create a transfer counselor Web site to serve as a data warehouse for all transfer requirements, deadlines, policies, and programs that can be accessed by all community college counselors.
- (4) \$29,000 to conduct a one-time Project Assist user needs assessment.

6870-493—Reappropriation, California Community Colleges, Proposition 98. The amount of \$30,724,000 from Schedule (2) of Item 6870-101-0001 of the Budget Act of 2005, as set aside in Provision 6 of that item, is hereby reappropriated to the Board of Governors of the California Community Colleges and shall be available for encumbrance and expenditure until June 30, 2007, on a one-time basis for the following purposes:

- (1) \$750,000 for research and facilitation of statewide work by community college institutional representatives and experts to improve curriculum, instruction, student services, and program practices in the areas of basic skills, including English-as-a-second language and workforce preparation courses for newly legalized immigrants.
- (2) \$29,974,000 for allocation by the chancellor to community college districts for the enhancement of basic skills and immigrant education programs. The allocated funds may be expended, at local discretion, for research, curriculum development, professional development, articulation, assessment, counseling, tutoring, instructional materials, and other one-time purposes directly related to the enhancement of basic skills and immigrant education programs. The

allocated funds shall augment, and not supplant, current expenditures by districts on basic skills and immigrant education programs. The chancellor shall distribute funds on the basis of full-time equivalent students in basic skills and immigrant education programs and may establish a minimum allocation per district of up to \$50,000.

6870-495—Reversion, California Community Colleges, Proposition 98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the Controller within 60 days of enactment of this act:

- (1) \$14,194,000, or whatever greater or lesser amount represents the balance available due to higher property taxes and oil and mineral revenues received, as determined by the Chancellor of the California Community Colleges in conjunction with the Department of Finance, than estimated to be available at the time the 2005 Budget Act was approved, from Schedule (1), Apportionments, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) \$85,000,000, or whatever greater or lesser amount represents the balance available from Schedule (3), Growth for Apportionments, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) as determined by the Chancellor of the California Community Colleges in conjunction with the Department of Finance.
- (3) \$1,238,000, or whatever greater or lesser amount represents the balance available from a one-time property tax backfill as provided for in Item 6870-486 of Section 2.00 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (4) \$5,739,000, or whatever greater or lesser amount represents the balance available from Schedule (3), Growth for Apportionments, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

6870-497—Reversion, Board of Governors of the California Community Colleges. As of June 30, 2006, the balances specified below of the appropriations provided for in the following citations shall revert to the funds from which the appropriations were made:

0574—1998 Higher Education Capital Outlay Bond Fund

- (1) Item 6870-301-0574, Budget Act of 2001 (Ch. 106, Stats. 2001), as amended by Chapter 891 of the Statutes of 2001, and as reappropriated by Item 6870-490, Budget Act of 2002 (Ch. 379, Stats. 2002), Budget Act of 2003 (Ch. 157, Stats. 2003), and Budget Act of 2004 (Ch. 208, Stats. 2004)

San Diego Community College District  
San Diego District Office

- (53) 40.47.001-Seismic Retrofit, District Headquarters Building—Construction..... 3,503,000

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) and Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Compton Community College District  
Compton College

- (10) 40.12.111-Performing Arts and Recreation Complex—Working drawings..... 409,000

Shasta-Tehama-Trinity Joint Community College District

Shasta College

- (73) 40.57.103-Library Addition—Construction and equipment..... 6,919,000

- (2) Item 6870-301-6028, Budget Act of 2003 (Ch. 157, Stats. 2003)

San Luis Obispo County Community College District

Cuesta College

- (64) 40.51.112-Theater Arts Building—Construction and equipment..... 11,665,000

6041—2004 Higher Education Capital Outlay Bond Fund

- (1) Item 6870-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 6870-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Compton Community College District

Compton College

(6) 40.12.111-Performing Arts and  
Recreation Complex—Construc-

tion and equipment.....	12,362,000	
7980-001-0784—For support of Student Aid Commis-		
sion, payable from the Student Loan Operating		
Fund.....		15,279,000

Schedule:

- |   |            |
|---|------------|
| (1) 15-Financial Aid Grants Program.... | 13,748,000 |
| (2) 50-California Loan Program.....     | 1,797,000  |
| (3) 80.01-Administration and Support    |            |
| Services.....                           | 3,302,000  |
| (4) 80.02-Distributed Administration    |            |
| and Support Services.....               | -3,302,000 |
| (5) Reimbursements.....                 | -266,000   |

Provisions:

1. The funds appropriated in this item shall only be available for the California Student Aid Commission's state operations activities.
2. It is the intent of the Legislature that funding from the Student Loan Operating Fund be used in accordance with federal law.
3. Of the funds appropriated in Schedule (1), \$1,569,000 shall be available for expenditure to support enhancement of the Student Aid Commission's Grant Delivery System. Of this amount, \$1,316,000 is one-time funding.
4. Of the funds appropriated in Schedule (1), \$276,000 in one-time funding shall be available to support the production and administration of the Student Expenses and Resources Survey.
6. Of the funds appropriated in this item, \$30,000 is to provide for one-half personnel years to implement a new State Facilities Nursing Assumption Program of Loans for Education, contingent upon enactment of legislation during the 2005-06 Regular Session.

7980-101-0001—For local assistance, Student Aid		
Commission.....		846,838,000

Schedule:

- |                                     |             |
|-------------------------------------|-------------|
| (1) 15-Financial Aid Grants Pro-    |             |
| gram.....                           | 881,991,000 |
| (2) Reimbursements.....             | -22,570,000 |
| (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.
  - (b) Grants under Section 4709 of the Labor Code.
  - (c) 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.
  - (d) 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 7,400 new warrants.
  - (e) The purchase of loan assumptions under Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of the Education Code.
  - (f) New and renewal Cal Grant awards.
  - (g) The California Student Aid Commission shall report by April 1, 2007, on the State Nursing Assumption Program of Loans for Education, pursuant to the reporting requirements of Section 69616.8 of the Education Code.
  - (h) No more than 100 warrants shall be authorized for the National Guard Assumption Program of Loans for Education under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42 of the Education Code. It is the intent of the Legislature to provide no more than \$200,000 in 2007–08 for the additional warrants.
2. If federal trust funds for the 2006–07 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 the level specified per subdivision (k) of Section 69432.7 of the Education Code as determined in consultation with the Department of Finance for the purpose of determining recipients for the 2006–07 award year.
4. Notwithstanding any other provision of law, the maximum award for:
    - (a) New recipients attending private and independent institutions shall be \$9,708;
    - (b) All recipients receiving Cal Grant B access awards shall be \$1,551;
    - (c) All recipients receiving Cal Grant C tuition and fee awards shall be \$2,592; and
    - (d) 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 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.
  8. Pursuant to Chapter 403 of the Statutes of 2000 and notwithstanding any other law, the Director of Finance may authorize the augmentation, from the Special Fund for Economic Uncertainties established pursuant to Section 16418 of the Government Code, of the annual amount appropriated for the purposes of making Cal Grant awards pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of the Education Code, as necessary to fully fund the number of awards required to be granted by that chapter. No augmentation may be authorized under this provision sooner than 30 days after the Director

of Finance provides written notice of the proposed augmentation to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house that consider appropriations, nor sooner than whatever lesser time those persons, or their designees, may in each instance determine.

- 9. The Student Aid Commission shall issue 100 new State Nursing Assumption Program of Loans for Education (SNAPLE) warrants pursuant to Article 5.6 (commencing with Section 69616) of Chapter 2 of Part 42 of the Education Code.
- 12. The Student Aid Commission is authorized to issue 40 new warrants for a newly established State Facilities Nursing Assumption Program of Loans for Education, contingent upon enactment of legislation during the 2005–06 Regular Session.

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, 2006, 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 2005 (Chs. 38/39, Stats. 2005)

LABOR AND WORKFORCE DEVELOPMENT AGENCY

7100-001-0001—For support of Employment Development Department, for payment to Item 7100-001-0870..... 24,509,000

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..... 13,934,000

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.

7100-001-0185—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Development Contingent Fund..... 75,777,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.
2. 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 2006–07 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 secured to pay Unemployment Insurance (UI) benefits. The EDD will notify the Department of Finance by October 1, 2006, 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..... 58,221,000

Provisions:

1. Upon order of the Director of Finance, funds disencumbered from Employment Training Fund training contracts during the 2006–07 fiscal year



that have not reverted as of July 1, 2006, 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.

7100-001-0588—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Compensation Disability Fund..... 212,067,000  
Provisions:

- 1. The Employment Development Department shall submit on October 1, 2006, and April 20, 2007, to the Department of Finance for its review and approval, an estimate of expenditures for both the current and budget years, including the assumptions and calculations underlying Employment Development Department projections for expenditures from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of the due date. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of the due date, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the approved estimate of the Department of Finance. Revisions reported pursuant to this provision are not subject to Section 28.00.
- 2. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either workload or payments, 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 2006–07 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..... 156,010,000

Schedule:

- (1) 61.35-WIA Administration and Program Services..... 24,520,000
- (2) 61.40-WIA Growth Industries..... 3,809,000
- (3) 61.50-WIA Industries with a State-wide Need..... 14,200,000
- (4) 61.60-WIA Removing Barriers for Special Needs Populations..... 17,434,000
- (5) 61.70-WIA Rapid Response Activities..... 45,696,000
- (5.5) 61.80-WIA Special Grants..... 5,351,000
- (6) 62.10-National Emergency Grant Program..... 45,000,000

Provisions:

- 1. Provision 1 of Item 7100-001-0588 also applies to Schedules (1) and (5) of this item.
- 1.5. For Schedules (2), (3), and (4), the Employment Development Department (EDD) shall submit on October 1, 2006, and April 20, 2007, 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 (2) to (4), 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. Any such augmentation exceeding \$250,000 may be authorized not 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.

- 1.7. For Schedules (2), (3), and (4), in the event that the Employment Development Department is notified of a reduction in Federal Workforce Investment Act (WIA) 15-percent discretionary funds, the Department of Finance may decrease expenditure authority for Schedules (2) to (4), inclusive. Any such decrease that exceeds \$250,000 may be authorized not sooner than 30 days after notification in writing 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 not 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 (1) to (4), inclusive) as included in the schedule to be used for projects. 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, 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.....	570,791,000
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Schedule:

(1) 10-Employment and Employment Related Services.....	215,461,000
(2) 21-Tax Collections and Benefit Payments.....	636,657,000
(3) 22-California Unemployment Insurance Appeals Board.....	74,384,000
(4) 30.01-General Administration.....	54,747,000
(5) 30.02-Distributed General Administration.....	-51,194,000
(6) 50-Employment Training Panel.....	53,319,000
(7) Reimbursements.....	-27,171,000
(8) Amount payable from the General Fund (Item 7100-001-0001).....	-24,509,000
(9) Amount payable from the Employment Development Department Benefit Audit Fund (Item 7100-001-0184).....	-13,934,000
(10) Amount payable from the Employment Development Contingent Fund (Item 7100-001-0185).....	-75,777,000
(11) Amount payable from the Employment Training Fund (Item 7100-001-0514).....	-58,221,000
(12) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588).....	-212,067,000
(13) Amount payable from the School Employees Fund (Item 7100-001-0908).....	-904,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
2. Provision 1 of Item 7100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance Program.
3. No later than September 13, 2007, 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 program and shall provide justification for its continuance.

7100-001-0908—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the School Employees Fund.... 904,000  
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 2006–07 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..... (4,898,000)  
Provisions:

1. The unencumbered balance in the Employment Development Department Benefit Audit Fund as of June 30, 2007, 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..... (10,486,000)  
Provisions:

1. Notwithstanding any other provision of law, the 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, 2007.

7100-011-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal..... (570,791,000)

7100-021-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund..... (156,010,000)

7100-101-0001—For local assistance, Employment Development Department.....	5,700,000
7100-101-0588—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the Unemployment Compensation Disability Fund.....	3,935,050,000
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 2006–07 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.....	5,258,494,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that would have otherwise been appropriated pursuant to Section 1521 of the Unemployment Insurance Code.	
2. Provision 1 of Item 7100-001-0588 also applies to this item.	
7100-101-0890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(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..... 97,219,000

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 2006–07 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..... (5,258,494,000)

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, 2007, the amount of funds transferred pursuant to this item.

7120-001-0890—For support of the California Workforce Investment Board, payable from the Federal Trust Fund..... 3,965,000

Schedule:

- (1) 10-California Workforce Investment Program..... 4,830,000
- (2) Reimbursements..... -865,000

Provisions:

1. The Secretary of the Labor and Workforce Development Agency, 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.....		4,898,000
Schedule:		
(1) 10-Board Administration.....	2,102,000	
(2) 20-General Counsel Administration.....	2,796,000	
(3) 30.01-Administration Services.....	253,000	
(4) 30.02-Distributed Administration Services.....	-253,000	
7350-001-0001—For support of Department of Industrial Relations.....		64,103,000
Schedule:		
(1) 10-Self-Insurance Plans.....	3,591,000	
(2) 20-Mediation/Conciliation.....	2,237,000	
(3) 30-Division of Workers' Compensation.....	157,726,000	
(4) 36-Commission on Health and Safety and Workers' Compensation.....	3,068,000	
(5) 40-Division of Occupational Safety and Health.....	87,466,000	
(6) 50-Division of Labor Standards Enforcement.....	46,354,000	
(7) 60-Division of Apprenticeship Standards.....	10,156,000	
(8) 70-Division of Labor Statistics and Research.....	3,884,000	
(9) 80-Claims, Wages, and Contingencies.....	1,182,000	
(10) 94.01-Administration.....	27,271,000	
(11) 94.02-Distributed Administration.....	-27,271,000	
(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).....	-15,180,000
(16)	Amount payable from the Workers' Compensation Managed Care Fund (Item 7350-001-0132).....	-347,000
(17)	Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 7350-001-0216).....	-53,000
(18)	Amount payable from the Workers' Compensation Administration Revolving Fund (Item 7350-001-0223).....	-157,165,000
(19)	Amount payable from the Asbestos Consultant Certification Account (Item 7350-001-0368).....	-324,000
(20)	Amount payable from the Asbestos Training Approval Account (Item 7350-001-0369).....	-114,000
(21)	Amount payable from the Self-Insurance Plans Fund (Item 7350-001-0396).....	-3,549,000
(22)	Amount payable from the Elevator Safety Account (Item 7350-001-0452).....	-14,121,000
(23)	Amount payable from the Pressure Vessel Inspection Account (Item 7350-001-0453).....	-4,333,000
(24)	Amount payable from the Garment Manufacturers Special Account (Item 7350-001-0481).....	-500,000
(25)	Amount payable from the Uninsured Employers' Account, Uninsured Employers Fund (Item 7350-001-0571).....	-674,000
(26)	Amount payable from the Employment Training Fund (Item 7350-001-0514).....	-3,032,000
(27)	Amount payable from the Federal Trust Fund (Item 7350-001-0890).....	-31,468,000
(28)	Amount payable from the Industrial Relations Unpaid Wage Fund (Item 7350-001-0913).....	-3,034,000

- (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)..... -2,717,000
- (31) Amount payable from the Permanent Amusement Ride Safety Inspection Fund (Item 7350-001-3003)..... -1,035,000
- (32) Amount payable from the Garment Industry Regulations Fund (Item 7350-001-3004)..... -3,376,000
- (33) Amount payable from the Apprenticeship Training Contribution Fund (Item 7350-001-3022)..... -4,307,000
- (34) Amount payable from the Workers' Occupational Safety and Health Education Fund (Item 7350-001-3030)..... -1,222,000
- (35) Amount payable from the Workers' Compensation Return-to-Work Fund (Item 7350-001-3031)..... -500,000
- (36) Amount payable from the Car Wash Worker Restitution Fund (Item 7350-001-3071)..... -80,000
- (37) Amount payable from the Car Wash Worker Fund (Item 7350-001-3072)..... -160,000
- (38) Amount payable from the Worker Safety Bilingual Investigative Support, Enforcement and Training Account (Item 7350-001-8024).... -36,000

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.

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

Provisions:

- 1. Upon approval by the Department of Finance and notification to the chairpersons for the fiscal committees of each house of the Legislature and

the Chairperson of the Joint Legislative Budget Committee, the Department of Industrial Relations may augment this item for the payment of valid claims against and up to the fund balance.

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..... 15,180,000

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.

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..... 347,000

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..... 53,000

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..... 157,165,000

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' 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. Of the amount appropriated in this item, \$971,000 shall be available only upon approval by the Department of Personnel Administration and/or State Personnel Board of a classification change to the Workers' Compensation professional class series.

7350-001-0368—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Consultant Certification Account.....	324,000
7350-001-0369—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Training Approval Account.....	114,000
7350-001-0396—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Self-Insurance Plans Fund.....	3,549,000
7350-001-0452—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Elevator Safety Account.....	14,121,000
7350-001-0453—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Pressure Vessel Account.....	4,333,000

- Provisions:
- 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.

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Amount

7350-001-0481—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Manufacturers Special Account.....	500,000
Provisions:	
1. Upon approval by the Department of Finance and notification to the chairpersons for the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, the Department of Industrial Relations may augment this item for the payment of valid claims against and up to the fund balance.	
7350-001-0514—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Employment Training Fund.....	3,032,000
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, \$3,032,000 from the Employment Training Fund shall be transferred by the State Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.	
7350-001-0571—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Uninsured Employers Fund.....	674,000
Provisions:	
1. Notwithstanding any other provision of law, the amount available for expenditure in this appropriation may be used for Underground Economy Enforcement.	
7350-001-0890—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Federal Trust Fund.....	31,468,000
7350-001-0913—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Industrial Relations Unpaid Wage Fund.....	3,034,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be expended by the Department of Industrial Relations Division of Labor Standards Enforcement and the Division of Occupational Safety and Health to administer the following: (a) the Targeted Industries Partnership Program to increase en-	

forcement and compliance in the agricultural, garment, and restaurant industries, and (b) the Economic and Employment Enforcement Coalition (Underground Economy Program).

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.

7350-001-3002—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Electrician Certification Fund.....	2,717,000
7350-001-3003—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Permanent Amusement Ride Safety Inspection Fund.....	1,035,000
7350-001-3004—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Industry Regulations Fund.....	3,376,000
7350-001-3022—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Apprenticeship Training Contribution Fund.....	4,307,000
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.....	1,222,000
7350-001-3031—For support of the Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers’ Compensation Return-to-Work Fund.....	500,000
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

Provisions:

1. Upon approval by the Department of Finance and notification to the chairpersons for the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, the Department of Industrial Relations may augment this item for the payment of valid claims against and up to the fund balance.

Item	Amount
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.	
7350-011-0222—For transfer by the Controller from the Workplace Health and Safety Revolving Fund to the General Fund.....	(507,000)
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, 2007.	
2. The Department of Industrial Relations shall provide an estimate of the transfer amount to the Department of Finance no later than April 15, 2007.	
7350-490—Reappropriation, Department of Industrial Relations. Up to \$8,831,000 of the appropriation provided in Item 7350-001-0223, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), is reappropriated and shall be available for encumbrance or expenditure until June 30, 2007.	

#### GENERAL GOVERNMENT

8120-001-0268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund.....	14,410,000
Schedule:	
(1) 10-Standards.....	5,203,000
(2) 20-Training.....	30,333,000
(3) 30-Peace Officer Training.....	118,000
(4) 40.01-Administration.....	5,772,000
(5) 40.02-Distributed Administration....	-5,772,000

(6) Reimbursements.....	-1,259,000	
(7) Amount payable from the Peace Officers' Training Fund (Item 8120-011-0268).....	-18,429,000	
(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.....		18,429,000
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 with the public shall, at the discretion of the head of the law enforcement agency seeking reimbursement under this provision, be eligible for reimbursement, provided that the Museum of Tolerance gives priority to training sworn officers.		
8120-101-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties, and cities and counties pursuant to Section 13523 of the Penal Code, payable from the Peace Officers' Training Fund.....		21,382,000



Provisions:

- 1. Funds may be transferred between this item and Item 8120-011-0268 to meet the needs of local training programs.

8120-102-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, payable from the Peace Officers’ Training Fund..... 444,000

Provisions:

- 1. Funds appropriated in this item are to be used for 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.

8140-001-0001—For support of State Public Defender.... 11,333,000  
Schedule:

- (1) 10-State Public Defender..... 11,333,000

Provisions:

- 1. Any federal funds received by the Office of the State Public Defender as reimbursements for legal services provided for capital cases shall revert to the unappropriated surplus of the General Fund.

8180-101-0001—For local assistance, payment to local government for costs of homicide trials, for payment by the State Controller..... 3,500,000

Provisions:

- 1. This item is for payment to counties for costs of homicide trials pursuant to Sections 15200 to 15204, 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 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, 2007. 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 Controller's office and the Department of Finance no later than June 30, 2007. To ensure compliance with this requirement, the 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.....	1,144,000
Schedule:	
(1) 90-California Arts Council.....	3,285,000
(2) Reimbursements.....	-197,000
(3) Amount payable from the Graphic Design License Plate Account (Item 8260-001-0078).....	-979,000
(4) Amount payable from the Federal Trust Fund (Item 8260-001-0890)....	-965,000
8260-001-0078—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Graphic Design License Plate Account.....	979,000
8260-001-0890—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Federal Trust Fund.....	965,000

Item

Amount

8260-101-0078—For local assistance, California Arts Council, payable from the Graphic Design License Plate Account.....	1,825,000
Provisions:	
1. The funds appropriated in this item are to be expended for the purposes identified in Chapter 393, Statutes of 2004.	
8320-001-0001—For support of Public Employment Relations Board.....	5,555,000
Schedule:	
(1) 11-Public Employment Relations....	5,567,000
(2) Reimbursements.....	-12,000
8380-001-0001—For support of Department of Personnel Administration.....	10,294,000
Schedule:	
(1) 10-Classification and Compensation.....	5,316,000
(2) 20-Labor Relations.....	3,921,000
(3) 25-Legal.....	7,706,000
(4) 40.01-Administration.....	4,190,000
(5) 40.02-Distributed Administration....	-4,190,000
(6) 54-Benefits Administration.....	22,574,000
(7) Reimbursements.....	-16,192,000
(8) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821).....	-1,319,000
(9) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-0915).....	-11,712,000
Provisions:	
1. The Department of Personnel Administration may use funds appropriated in this item to complete comprehensive salary surveys that include private and public employers, geographical data, and total compensation. The department 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.	
2. Of the funds appropriated in this item, \$640,000 shall be used for the reform of information technology classification and selection structures.	
8380-001-0821—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Flexelect Benefit Fund.....	1,319,000

Item Amount

<p>8380-001-0915—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Deferred Compensation Plan Fund.....</p> <p>8380-004-0001—For support of Department of Personnel Administration, Program 54-Benefits Administration.....</p> <p>8380-490—Reappropriation, Department of Personnel Administration. Notwithstanding any other provision of law, as of June 30, 2006, 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 or expenditure until June 30, 2007:                  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) and Budget Act of 2005 (Chs.38 and 39, Stats. 2005)</p> <p>8385-001-0001—For support of California Citizens Compensation Commission, Program 10.....</p> <p>8500-001-0152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund.....</p> <p>Schedule:                  (1) 10-Board of Chiropractic Examiners.....</p> <p>(2) Reimbursements.....</p> <p>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.</p> <p>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.....</p> <p>Schedule:                  (1) 10.01-Support.....</p> <p>(2) 10.02-Training.....</p> <p>Provisions:                  1. The amount appropriated in this item may include revenues derived from the assessment of</p>	<p>11,712,000</p> <p>23,305,000</p> <p>14,000</p> <p>2,916,000</p> <p>2,959,000</p> <p>-43,000</p> <p>1,591,000</p> <p>698,000</p> <p>893,000</p>
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finances 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.... 8,685,000

Schedule:

(1) 10-California Horse Racing Board..... 10,108,000

(2) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-0942)..... -1,423,000

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..... 1,423,000

Provisions:

1. Of the amount appropriated in this item, \$851,000 shall not be expended until the California Horse Racing Board reports to the Joint Legislative Budget Committee 30 days prior to the date of proposed expenditure, with a comprehensive plan that details its equine drug testing program. The plan shall include details for routine in-competition drug testing, out-of-competition drug testing, a current comparison of the number of postrace samples per race collected in California with those collected in other states, a comparison of the types, technologies, and relative costs of drug testing in other states with that performed by the Maddy Lab, a current comparison of out-of-competition testing programs, including amount spent per race and number of samples per race, in other states, with that proposed for California, a comparison of California’s funding sources for testing that details among other things, whether those funding sources are public or private, with those of five to seven other major horse racing states, including Kentucky, Maryland, New York, and Florida, and a full description of the Maddy Lab’s other funding sources, in addition to California Horse Racing Board funds.

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, 2007..... (2,000,000)

8570-001-0001—For support of Department of Food and  
Agriculture..... 75,457,000

Schedule:

- (1) 11-Agricultural Plant and Animal,  
Pest and Disease Prevention..... 106,877,000
- (2) 21-Marketing, Commodities, and  
Agricultural Services..... 24,303,000
- (3) 31-Assistance to Fairs and County  
Agricultural Activities..... 3,092,000
- (4) 41.01-Executive, Management, and  
Administrative Services..... 14,873,000
- (5) 41.02-Distributed Executive,  
Management, and Administrative  
Services..... -13,772,000
- (7) Reimbursements..... -9,619,000
- (8) Amount payable from the Depart-  
ment of Agriculture Account, De-  
partment of Agriculture Fund  
(Item 8570-001-0111)..... -15,733,000
- (9) Amount payable from the Fair and  
Exposition Fund (Item 8570-001-  
0191)..... -3,552,000
- (10) Amount payable from the Harbors  
and Watercraft Revolving Fund  
(Item 8570-001-0516)..... -1,275,000
- (11) Amount payable from the Agricul-  
ture Building Fund (Item 8570-  
001-0601)..... -1,471,000
- (12) Amount payable from the Federal  
Trust Fund (Item 8570-001-  
0890)..... -27,254,000
- (12.5) Amount payable from the Antiter-  
rorism Fund (Item 8570-011-  
0112)..... -551,000
- (13) Amount payable from the Agricul-  
tural Pest Control Research Ac-  
count (Item 8570-011-0112)..... -5,000
- (14) Amount payable from the Satellite  
Wagering Account (Item 8570-012-  
0192)..... -456,000

Provisions:

- 1. Funding appropriated in Schedules (1) and (2)  
allocated for the purpose of designing, develop-  
ing, or implementing any information technology  
or data management system shall not be encum-  
bered or expended until the Feasibility Study  
Reports (FSR) for these projects are approved

by the Department of Finance. If the amount approved in the FSR is less than the amount appropriated, the Department of Food and Agriculture shall only spend the amount approved in the FSR, and any remaining funds shall be reverted.

- 2. Notwithstanding any other provision of law, \$380,000 of the amount appropriated in Schedule (1) shall be available for expenditure until June 30, 2008, and shall be used for the purpose of a one-year private vehicle inspection project at the Needles Inspection Station.
- 3. Notwithstanding any other provision of law, \$2,500,000 of the amount appropriated in Schedule (1) shall be made available for use by the Department of Food and Agriculture for the Weed Management Area Program.
- 4. On or before January 10, 2011, the Department of Food and Agriculture shall submit to the Department of Finance and the Joint Legislative Budget Committee, a report identifying the workload levels for positions supporting the information technology projects that are part of the Emerging Threats budget augmentation.

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..... 15,733,000

Provisions:

- 1. In addition to the amounts appropriated in this item, and notwithstanding any other provision of law, of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, up to \$2,800,000 shall be made available for use by the Department of Food and Agriculture for emergency detection and eradication activities of agricultural plant or animal pests or diseases. The Director of Finance may authorize an augmentation of up to \$2,800,000 to this item upon request of the Secretary of Food and Agriculture. The Director of Finance shall not authorize any augmentation unless all of the following criteria apply: (a) no other program funds are available to be used to detect or eradicate such pest or disease; (b) the pest or disease is not considered established in California and the pest or disease infests or in-

fects plants or animals of commercial or noncommercial agriculture, ornamental horticulture, or habitat of significance; (c) if not detected and eradicated, the pest or disease poses a significant risk to commercial agricultural production and would pose a threat to the economy of California. An authorization of an augmentation shall become effective no sooner than 30 days after the director files written notification thereof with the Chairperson of the Joint Legislative Budget Committee, or no sooner than any lesser time the chairperson of the joint committee or his or her designee may in each instance determine. Each notification shall include the basis by which the request meets the above criteria. At the end of the 2006–07 fiscal year, any unencumbered balance of these funds appropriated for emergency detection and eradication activities of agricultural plant or animal pests or diseases shall be available for the 2007–08 fiscal year. At the end of the 2007–08 fiscal year, any unencumbered balance of these funds appropriated for emergency detection and eradication activities of agricultural plant or animal pests or diseases shall be available for transfer to local assistance for payment to counties during the 2008–09 fiscal year, as provided in subdivision (c) of Section 224 of the Food and Agricultural Code.

2. Any increases in the amount transferred from the Motor Vehicle Fuel Account Transportation Tax Fund to the Department of Agriculture Account, Department of Agriculture Fund shall be held in reserve up to the amount needed to fund the activities pursuant to Provision 1.
3. The Secretary of Food and Agriculture shall furnish quarterly reports on all expenditures from all fund sources for emergency detection and eradication activities relating to agricultural plant or animal pests or diseases as defined by (b) and (c) of the criteria in Provision 1 of this item to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee. The report shall specify the amount expended by fund, the activities performed, the pest or disease, the location where the pest was detected, the location where the eradication efforts were



	performed, and the animal or plant affected for each emergency detection or eradication.	
4.	Funds appropriated in this item are in lieu of the appropriation provided by subdivisions (a) and (b) of Section 224 of the Food and Agricultural Code.	
5.	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 Director of Finance may authorize an augmentation of \$179,000 to this item upon request of the Secretary of Food and Agriculture.	
6.	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.	
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.....	3,552,000
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.....	1,275,000
8570-001-0601	—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Agriculture Building Fund.....	1,471,000
	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.....	27,254,000
8570-001-3034	—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Antiterrorism Fund.....	551,000
8570-002-0001	—For support of Department of Food and Agriculture, for sterile Medfly release program.....	8,081,000
	Schedule:	
(1)	11-Agricultural Plant and Animal, Pest and Disease Prevention.....	8,081,000
8570-003-0001	—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds.....	1,605,000

Schedule:

- (1) Base Rental and Fees..... 1,621,000
- (2) Insurance..... 11,000
- (3) Reimbursements..... -27,000

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.

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 Food and Agriculture Fund..... 40,000

Schedule:

- (1) Base Rental..... 40,000

Provisions:

- 1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.
- 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.

8570-003-0601—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds, payable from the Agriculture Building Fund..... 225,000

Schedule:

- (1) Base Rental..... 223,000
- (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.

8570-004-0001—For transfer by the Controller to the Pierce’s Disease Management Account..... 4,341,000  
Provisions:

- 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:

- 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.

8570-011-0191—For transfer by the State Controller from the Fair and Exposition Fund to the General Fund, for health benefits for retired employees of district agricultural associations..... (246,000)

8570-011-0890—For transfer by the Controller from the Federal Trust Fund to the Pierce’s Disease Management Account..... 15,300,000  
Provisions:

- 1. The funds appropriated in this item shall be deposited in the Pierce’s Disease Management Account in the Food and Agricultural Fund and shall be available for expenditure for the purpose of combating Pierce’s disease and its vectors.

8570-012-0192—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Satellite Wagering Account..... 456,000

8570-101-0001—For local assistance, Department of Food and Agriculture..... 8,283,000  
Schedule:

- (1) 11-Agricultural Plant and Animal, Pest and Disease Prevention..... 8,283,000

- (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

Provisions:

- 1. 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.
- 2. Funds provided in this item for high-risk pest exclusion shall be expended pursuant to Section 2282.5 of the Food and Agricultural Code.

8570-101-0191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001, payable from the Fair and Exposition Fund..... 950,000

Provisions:

- 1. The funds appropriated in this item are for unemployment insurance at local fairs.
- 2. The funds appropriated in this item are for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.

8570-102-0001—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.

8570-401—For support of Department of Food and Agriculture: Notwithstanding any other provision of law, \$2,900,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be allocated to counties in a manner prescribed by the secretary for pest detection/trapping programs. These funds are intended to supplement funds available for pest detection/trapping in Item 8570-101-0001. As a condition of receiving these funds, counties shall not reduce their level of support from any other funds for pest detection/trapping programs. If a county declines to participate in a pest detection/trapping program, or fails to conduct the program to the state’s satisfaction, the secretary shall reduce, by the amount that would otherwise be allocated to the county, funds available pursuant to subdivision (c) of Section 224 and other state allocations from Item 8570-101-0001. These funds are hereby appropriated to the Department of Food and Agriculture Item 8570-001-0001 and Item 8570-001-0111 for purposes of operating the pest detection/trapping programs in the counties.

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, 2, and 5 of Item 8570-001-0111, 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.

- 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, operating, and maintaining individual satellite wagering projects, (c) net revenue projections for individual satellite wagering projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual satellite wagering projects and satellite wagering-related projects. Additional notification is not required for financing proposals unless refinancing will result in the expenditure of additional funds, in which case the report shall include the above-requested information relating only to the new debt. Reporting shall be required only for satellite wagering projects that are funded by interim financing or long-term financing, including bond agreements.
- 8570-490—Reappropriation, Department of Food and Agriculture. The balance 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 2005 (Chs. 38 and 39, Stats. 2005)
- (1) 90.18.001-Relocation: Yermo Agricultural Inspection Station—Acquisition, preliminary plans, and construction
- 0660—Public Buildings Construction Fund
- (1) Item 8570-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1) 90.18.001-Relocation: Yermo Agricultural Inspection Station—Construction		
8620-001-0001—For support of Fair Political Practices Commission.....		2,788,000
Schedule:		
(1) 10.10-Local enforcement.....	1,128,000	
(2) 10.20-Legal, technical assistance and state enforcement.....	1,660,000	
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.....		
		2,602,000
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)	
(2) 20-Franchise Tax Board.....	1,604,000	
For transfer by the State Controller to Item 1730-001-0001 as follows:		
(3) 30-Political Reform Audit.....	(1,604,000)	
(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 Enforcement.....	(138,000)	
(4) 40-Fair Political Practices Commission.....	(3,691,000)	
(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, 2007.		
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.....		2,970,000

Item Amount

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.....	2,719,000
8660-001-0412—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Transportation Rate Fund.....	2,377,000
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.....	8,725,000
8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account.....	73,198,000

Schedule:

- (1) 10-Regulation of Utilities..... 106,827,000
- (2) 15-Universal Service Telephone Programs..... 895,408,000
- (3) 20-Regulation of Transportation.... 16,791,000
- (4) 30.01-Administration..... 20,925,000
- (5) 30.02-Distributed Administration..... -20,925,000
- (6) Reimbursements..... -8,858,000
- (6.5) Reimbursement to the Office of Ratepayer Advocates..... -3,880,000
- (7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042).... -2,970,000
- (8) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046)..... -2,719,000
- (9) Amount payable from the Transportation Rate Fund (Item 8660-001-0412)..... -2,377,000
- (10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)..... -8,725,000
- (11) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464)..... -58,791,000
- (12) Amount payable from California High-Cost Fund-B Administrative Committee Fund (Item 8660-001-0470)..... -435,135,000



- (13) Amount payable from Universal Lifeline Telephone Service Trust Administrative Committee Fund (Item 8660-001-0471)..... -289,764,000
- (14) Amount payable from Deaf and Disabled Telecommunications Program Administrative Committee Fund (Item 8660-001-0483).... -69,267,000
- (15) Amount payable from Payphone Service Providers Committee Fund (Item 8660-001-0491)..... -499,000
- (16) Amount payable from California Teleconnect Fund Administrative Committee Fund (Item 8660-001-0493)..... -26,829,000
- (16.5) Amount payable from the California Teleconnect and Administrative Committee Fund (Item 8660-002-0493)..... -15,123,000
- (17) Amount payable from the Federal Trust Fund (Item 8660-001-0890)..... -1,139,000
- (18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089)..... -19,752,000

Provisions:

1. The Public Utilities Commission shall require any public utility requesting a merger to reimburse the commission for those necessary expenses that the commission incurs in its consideration of the proposed merger.
2. Of the amount appropriated in this item, up to a total of \$2,000,000 may be spent for contracts with media experts to design and produce a public education campaign to implement the Public Utilities Commission’s March 2006 decision regarding a Telecommunications Consumers’ Bill of Rights. No expenditure in excess of \$1,000,000 for this purpose shall be made without the written approval of the Director of Finance, and the director’s approval 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 fiscal committees of each house of the Legislature.

The director’s notification shall identify how funds already spent are being used, the specific purpose of the proposed additional expenditure, the specific message to be communicated to consumers, and the specific types of actions that the media campaign will seek to encourage among telecommunications consumers.

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..... 58,791,000  
Provisions:

- 1. Of the amount appropriated in this item, up to \$350,000 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..... 435,135,000  
Provisions:

- 1. Of the amount appropriated in this item, up to \$1,865,000 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..... 289,764,000  
Provisions:

- 1. Of the amount appropriated in this item, up to \$1,135,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the Universal Lifeline Telephone Service Trust Administrative Committee Program.

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..... 69,267,000  
Provisions:

- 1. Of the amount appropriated in this item, up to \$720,000 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.....	499,000
Provisions:	
1. Of the amount appropriated in this item, up to \$259,000 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.....	26,829,000
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.	
2. No expenditure shall be made from the appropriation in this item, other than for staffing and administrative costs, after December 31, 2006, or in excess of \$13,415,000 prior to that date, without the written approval of the Director of Finance. The director’s approval 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 fiscal committees of each house of the Legislature. The director’s notification shall identify the actions that the Public Utilities Commission has taken to bring the Teleconnect Program into full compliance with Section 884.5 of the Public Utilities Code.	
8660-001-0890—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Federal Trust Fund.....	1,139,000
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.....	19,752,000
8660-002-0493—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the California Teleconnect Fund Administrative Committee Fund.....	15,123,000

Provisions:

1. The amount appropriated in this item shall be used to pay carrier claims from prior fiscal years.

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..... 560,000

Schedule:

- (1) Base Rental and Fees..... 557,000
- (2) Insurance..... 8,000
- (3) Reimbursements..... -5,000

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 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.

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..... 4,366,000

Schedule:

(1) Base Rental and Fees.....	4,349,000
(2) Insurance.....	58,000
(3) Reimbursements.....	-41,000

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 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.

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..... (19,752,000)

Provisions:

1. The Director of Finance may adjust the amounts transferred by this item pursuant to statewide budget adjustments made pursuant to authorities contained in this act.

8660-490—Reappropriation, Public Utilities Commission. The balance specified below 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 through June 30, 2008.

0461—Public Utilities Commission Transportation Reimbursement Account

- (1) Item 8660-001-0461, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for purposes of the rail safety task force (\$100,000).

8660-491—Reappropriation, Public Utilities Commission. Of the combined balances of the appropriation provided for in the following citations, \$2,000,000 is reappropriated for the purposes provided for in Chapter 531 of the Statutes of 2003 and is available for encumbrance or expenditure until June 30, 2008:  
0493—California Teleconnect Fund Administrative Committee Fund

(1) Item 8660-001-0493, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(2) Item 8660-001-0493, Budget Act of 2004 (Ch. 208, Stats. 2004)	
8690-001-0217—For support of Seismic Safety Commission, payable from the Insurance Fund.....	1,069,000
Schedule:	
(1) 10-Seismic Safety Commission.....	1,144,000
(2) Reimbursements.....	-75,000
8770-001-0462—For support of Electricity Oversight Board, payable from the Public Utilities Commission Utilities Reimbursement Account.....	3,385,000
Schedule:	
(1) 30-Administration.....	3,903,000
(2) Amount payable from the Energy Resources Programs Account (Item 8770-001-0465).....	-518,000
8770-001-0465—For support of Electricity Oversight Board, for payment to Item 8770-001-0462, payable from the Energy Resources Programs Account.....	518,000
8780-001-0001—For support of Milton Marks “Little Hoover” Commission on California State Government Organization and Economy.....	981,000
Schedule:	
(1) 10-Milton Marks Commission on California State Government Organization and Economy.....	983,000
(2) Reimbursements.....	-2,000
8820-001-0001—For support of Commission on the Status of Women.....	436,000
Schedule:	
(1) 10-Administration, Legislation, Research and Information.....	438,000
(2) Reimbursements.....	-2,000
8830-001-0001—For support of California Law Revision Commission.....	691,000
Schedule:	
(1) 10-Law Revision Commission.....	706,000
(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.....	14,219,000
Schedule:	
(1) 10-State Auditor.....	14,219,000
8860-001-0001—For support of Department of Finance.....	34,197,000

Schedule:

(1) 10-Annual Financial Plan.....	19,856,000
(2) 20-Program and Information Sys- tem Assessments.....	13,574,000
(3) 30-Supportive Data.....	14,299,000
(4) 40.01-Administration.....	5,679,000
(5) 40.02-Distributed Administration....	-5,679,000
(6) Reimbursements.....	-13,532,000

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 obligations for the 2006–07 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, 2006, 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. Whenever the Department of Finance submits to the Legislature changes to the Governor’s Budget or to the Budget Bill, these requests shall be provided in hard copy form to the Legislature including the appropriate staff of the fiscal committees and the Legislative Analyst’s Office. Whenever the Department of Finance releases a document summarizing changes proposed for the Governor’s Budget or to the Budget Bill, the Department of Finance shall provide the summaries in hard copy form to the Legislature including the appropriate staff of the fiscal committees and the Legislative Analyst’s Office.

- (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, 2007, for the purpose of providing continuity of services.

8860-490—Reappropriation, Department of Finance.

The unencumbered balance of the appropriation provided in the following citation is reappropriated for the purpose provided for in the appropriation and shall be available for encumbrance or expenditure as cited below through June 30, 2007.

0001—General Fund



978  
Item

STATUTES OF 2006

[ Ch. 47 ]  
Amount

(1) Item 8860-001-0001, Budget Act of 2005 (Ch. 38, Stats. 2005). The balance of the \$1,749,000 appropriated in Schedule (3) of this item is reappropriated for the purpose of completing the chart of accounts and procurement acquisition assistance activities for the Budget Information System (BIS).

8885-001-0001—For support of Commission on State Mandates..... 1,629,000  
Schedule:

(1) 10-Commission on State Mandates..... 1,629,000

Provisions:

1. In the case where the Commission on State Mandates 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.
2. The Commission on State Mandates shall, on or before September 15, 2006, and annually thereafter, submit to the Director of Finance a report identifying the workload levels and any backlog for the staff of the commission.

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 2005–06 fiscal year..... 106,880,000

Schedule:

(0.5) For payment of the following mandate claims for the 2005–06 fiscal year..... 90,280,000

- (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)

- (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992, and Ch. 666, Stats. 1995) (CSM-96-365-02)
- (c) Custody of Minors-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-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
- (i) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM-4357)
- (j) Medi-Cal Beneficiary Death Notices (Chs. 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 (Ch. 1114, Stats. 1979) (CSM-2753)
- (t) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991) (98-TC-09)
- (u) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM-4509)
- (v) Mentally Disordered Sex Offenders' Recommitments (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 of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (hh) Postmortem Examinations (Ch. 284, Stats. 2000) (01-TC-18)
- (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (0.6) For payment of the mandate claims for the 2005–06 fiscal year for the Peace Officers’ Procedural Bill of Rights (Ch. 675, Stats. 1990) (CSM-4499)..... 16,600,000
- (1) For mandate claims for the cost of mandates implemented in the 2006–07 fiscal year, including those listed for information purposes in the schedule below, to be funded in the 2007–08 fiscal year..... 0
  - (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)
  - (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992 and Ch. 666, Stats. 1995) (CSM-96-365-02)
  - (c) Custody of Minors-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-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
- (i) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM-4357)
- (j) Medi-Cal Beneficiary Death Notices (Chs. 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 (Ch. 1114, Stats. 1979) (CSM-2753)
- (t) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991) (98-TC-09)
- (u) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM-4509)
- (v) Mentally Disordered Sex Offenders' Recommitments (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 of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (hh) Postmortem Examinations (Ch. 284, Stats. 2000) (01-TC-18)
- (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (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 2006–07 fiscal year..... 0
  - (a) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
  - (b) Sex Crime Confidentiality (Ch. 502, Stats. 1992, 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 (Chs. 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)
  - (f) Handicapped Voter Access Information (Ch. 494, Stats. 1979) (CSM-4363)
  - (g) Substandard Housing (Ch. 238, Stats. 1974) (CSM-4303)
  - (h) Adult Felony Restitution (Ch. 1123, Stats. 1977) (04-LM-08)

- (i) Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992) (97-TC-13)
- (j) Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM-4431)
- (k) SIDS Training for Firefighters (Ch. 1111, Stats. 1989) (CSM-4412)
- (l) SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM-4424)
- (m) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM-4393)
- (n) Inmate AIDS Testing (Ch. 1597, Stats. 1988) (CSM-4369)
- (o) SIDS Notices (Ch. 453, Stats. 1974) (04-LM-01)
- (p) Guardianship/Conservatorship Filings (Ch. 1357, Stats. 1976) (04-LM-15)
- (q) Victims' Statements-Minors (Ch. 332, Stats. 1981) (04-LM-14)
- (r) Extended Commitment, Youth Authority (Ch. 267, Stats. 1998) (98-TC-13)
- (s) Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM-4427)
- (t) Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. 3401 to 3410, incl.) (CSM-4261-4281)
- (u) Personal Alarm Devices (8 Cal. Code Regs. 3401(c)) (CSM-4087)
- (v) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (w) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
- (x) Redevelopment Agencies Tax Disbursement Reporting (Ch. 39, Stats. 1998) (99-TC-06)
- (y) Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM-4204, CSM-4485)
- (z) Filipino Employee Surveys (Ch. 845, Stats. 1978) (CSM-2142)
- (aa) Domestic Violence Information (Ch. 1609, Stats. 1984) (CSM-4222)
- (bb) 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 2006–07 fiscal year:

(a) Peace Officers' Procedural Bill of Rights  
POBOR (Ch. 675, Stats. 1990) (CSM-4499)

2. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, and that payment shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.
3. The State Controller shall offset payments made from the appropriation in this item and in Item 8885-299-0001 to recoup the amount of any unallowable mandate claim costs determined by desk or field audits of such claims. The estimated amount of General Fund savings from prior year adjustments due to these offsets is at least \$44,000,000.

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 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 2006–07 fiscal year:

- (1) Airport Land Use Commission/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.....

1,551,000

Schedule:

- (1) 98.00.146.089-Administrative License Suspension, Per Se (Ch. 1460, Stats. 1989) (98-TC-16)..... 1,551,000

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..... 162,000

Schedule:

- (1) 98.01.120.089-Pesticide Use Reports (Ch. 1200, Stats. 1989) (CSM-4420)..... 162,000

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.

8885-299-0001—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..... 83,000,000

Schedule:

- (1) For payment of mandate claims filed prior to July 1, 2004..... 83,000,000

Provisions:

- 1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit

adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, that shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.

8910-001-0001—For support of Office of Administrative Law.....	2,428,000
Schedule:	
(1) 10-Regulatory Oversight.....	2,726,000
(2) Reimbursements.....	-298,000
8940-001-0001—For support of Military Department....	38,698,000
Schedule:	
(1) 10-Army National Guard.....	63,232,000
(2) 20-Air National Guard.....	19,853,000
(3) 30.01-Office of the Adjutant General.....	9,437,000
(4) 30.02-Distributed Office of the Adjutant General.....	-9,437,000
(5) 35-Military Support to Civil Authority.....	10,050,000
(6) 40-Military Retirement.....	3,169,000
(7) 50-California Cadet Corps.....	436,000
(8) 55-California State Military Reserve.....	455,000
(9) 65-California National Guard Youth Programs.....	17,294,000
(11) Reimbursements.....	-10,979,000
(12) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485).....	-146,000
(13) Amount payable from the Federal Trust Fund (Item 8940-001-0890).....	-64,666,000
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	

<p>the State Military Forces, the California State Military, or the California State Military Reserve from the federal government.</p>		
2.	<p>The funds appropriated in Schedule (6) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.</p>	
3.	<p>On or before April 10, 2007, the Military Department shall provide to the Legislature a report on the findings of the Internal Control Office. This information shall include, at a minimum, the following:</p> <p>(a) identified control deficiencies based on the initial risk analysis, (b) any improvements made to date, and (c) a work plan for addressing the remaining deficiencies as well as the criteria for prioritizing the subject and scope of ongoing internal reviews.</p>	
5.	<p>Of the amount appropriated in Schedule (3), up to \$20,000 shall be expended for a comprehensive direct communications initiative to reach each California National Guard service member and his or her family. This initiative shall include, but not be limited to, quarterly mailings of eligibility information and applications for California Military Family Relief Fund funds to service members and families of deployed service members.</p>	
8940-001-0485	<p>—For support of Military Department, for payment to Item 8940-001-0001, payable from the Armory Discretionary Improvement Account....</p>	146,000
8940-001-0890	<p>—For support of Military Department, for payment to Item 8940-001-0001, payable from the Federal Trust Fund.....</p>	64,666,000
8940-101-0001	<p>—For local assistance of Military Department.....</p>	60,000
<p>Schedule:</p>		
(1) 30.01-Office of the Adjutant General	<p>.....</p>	60,000
<p>Provisions:</p>		
1.	<p>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.</p>	

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.....	4,444,000
Schedule:	
(1) 70.22.015-Consolidated Headquarters Complex: Acquisition.....	1,000,000
(2) 70.68.035-Camp San Luis Obispo: Consolidated Dining Hall—Construction and equipment.....	528,000
(2.5) 70.85.010 Roseville: Armory Additions and Renovations—Construction.....	2,525,000
(3) 70.90.004-Minor Projects.....	391,000
Provisions:	
1. Notwithstanding any other statute of law, and subject to approval by the State Public Works Board, the funds provided in Schedule (1) shall be used to acquire a purchase option to reserve, for no less than two years, the right to purchase up to 30 acres of land in the Mather Field area of Sacramento County. The Military Department shall transfer sufficient funds to the Architecture Revolving Fund to allow for the performance of all tasks necessary prior to seeking approval for this purchase option. These tasks include, but are not limited to, due diligence, environmental review, appraisals, and contract negotiations.	
2. Funding provided in Schedule (2) will be matched by \$8,724,000 federal funds. These federal funds do not flow through the Treasury of the State of California because they are paid by the Department of Defense directly to the United States Army Corps of Engineers for the purpose of management and execution of the	

project. Thus, the federal contribution to this project will not be reflected in the Budget Act.

- 3. Funding provided in Schedule (3) will be matched by \$1,177,000 federal funds. These federal funds do not flow through the Treasury of the State of California because they are paid by the Department of Defense directly to the United States Army Corps of Engineers for the purpose of management and execution of these projects. Thus, the federal contribution to this project will not be reflected in the Budget Act.
- 4. Funding provided in Schedule (2.5) will be matched by \$881,000 federal funds. These federal funds do not flow through the Treasury of the State of California because they are paid by the Department of Defense directly to the United States Army Corps of Engineers for the purpose of management and execution of these projects. Thus, the federal contribution to this project will not be reflected in the Budget Act.

8940-491—Reappropriation, Military Department. The balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:

0001—General Fund

- (1) Item 8940-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) 70.90.004-Minor Projects

8955-001-0001—For support of Department of Veterans Affairs.....

9,781,000

Schedule:

- (1) 10-Farm and Home Loans to Veterans..... 1,900,000
- (2) 20-Veterans Claims and Rights..... 2,854,000
- (3) 30-Care of Sick and Disabled Veterans..... 7,475,000
- (4) 50.01-General Administration..... 8,823,000
- (5) 50.02-Distributed General Administration..... -8,823,000
- (6) Reimbursements..... -432,000
- (7) Amount payable from the Veterans Service Office Fund (Item 8955-001-0083)..... -50,000
- (8) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 8955-001-0592)..... -1,900,000

(9) Amount payable from the Federal Trust Fund (Item 8955-001-0890).... -66,000

Provisions:

1. Of the funds appropriated in this item, \$2,117,000 is for the realignment of 25 positions from the Farm and Home Program to other programs supported by Schedule (4). No later than January 10, 2007, the Department of Veterans Affairs shall submit to the Department of Finance and the Joint Legislative Budget Committee a workload justification and budget change proposal to support the ongoing need for these 25 positions and funding.
2. The Department of Veterans Affairs shall, in consultation with the Department of Finance, provide a report to the Legislature by January 10, 2007, on the status of its efforts to identify and correct deficiencies in fiscal controls as well as inconsistencies in budget documents. The report shall include a summary of its findings and steps taken to ensure that appropriate processes are in place to produce accurate budget documents that support effective fiscal oversight.
3. Of the funds appropriated in this item, \$50,000 shall be used to provide federal benefits eligibility training and outreach materials to veterans service organizations.

8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund..... 50,000

Provisions:

1. Notwithstanding Section 699.5 of the Military and Veterans Code, the Department of Veterans Affairs is authorized to contract, through a competitive process, with a veteran service organization to provide outreach services.

8955-001-0238—For support of Department of Veterans Affairs, Veterans Cemetery Perpetual Maintenance Fund..... 53,000

Schedule:

(1) 20-Veterans Claims and Rights..... 53,000

8955-001-0592—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans' Farm and Home Building Fund of 1943..... 1,900,000

8955-001-0701—For support of Department of Veterans Affairs, payable from the Veterans' Home Fund..... 248,000

Item	Amount
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8955-001-0890—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Federal Trust Fund.....	66,000
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8955-017-0001—For support of Department of Veterans Affairs, for implementation of the Health Insurance Portability and Accountability and Accountancy Act.....	125,000
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Schedule:

(1) 30-Care of Sick and Disabled Veterans.....	125,000
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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.....	2,600,000
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Schedule:

(1) 20-Veterans Claims and Rights.....	3,438,000
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(2) Reimbursements.....	-838,000
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8955-101-0083—For local assistance, Department of Veterans Affairs, county veterans services offices, payable from the Veterans Service Office Fund.....	554,000
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8960-001-0001—For support of Veterans' Home of California—Yountville.....	44,389,000
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Schedule:

(1) 30-Care of Sick and Disabled Veterans.....	78,695,000
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(2) Reimbursements.....	-18,837,000
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(3) Amount payable from the Federal Trust Fund (Item 8960-001-0890).....	-15,469,000
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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 chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

2. At the end of the six-month term of the loan, the Department 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.
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.
4. Of the amount appropriated in Schedule (1), up to \$115,000 shall be used to restore the Yountville Veterans' Home's no-cost nonprescription drug benefit to the level provided in the 2004-05 fiscal year. It is the intent of the Legislature that this benefit shall be consistent with that provided at the Chula Vista and Barstow Veterans' Homes.

8960-001-0890—For support of Veterans Home of California—Yountville, for payment to Item 8960-001-0001, payable from the Federal Trust Fund.....	15,469,000
8960-301-0001—For capital outlay, Department of Veterans Affairs, Veterans' Home of California—Yountville.....	500,000



Schedule:

(1) 80.20.495-Yountville Comprehensive Infrastructure Planning Study.....	500,000	
8960-301-0660—For capital outlay, Veterans’ Home of California—Yountville, payable from the Public Buildings Construction Fund.....		9,341,000

Schedule:

(1) 80.20.440-Remodel Member Services Building—Preliminary plans, working drawings, and construction.....	9,341,000
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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 issuance of bonds or notes under this item is contingent upon a commitment from the federal government to pay for the federal matching share of the cost of the project.
3. The Department of Veterans Affairs and State Public Works Board are 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.
4. The State Public Works Board shall not be deemed to be the lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt the Department of Veterans Affairs from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
5. Notwithstanding Section 1.80, funds appropriated in this item for working drawings shall be available for expenditure until June 30, 2008, and funds appropriated in this item for construc-

tion shall be available for expenditure until June 30, 2010. In addition, the balance of funds for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2008, shall revert as of that date.

8965-001-0001—For support of the Veterans Home of California at Barstow..... 9,914,000

Schedule:

- (1) 30-Care of Sick and Disabled Veterans..... 13,776,000
- (2) Reimbursements..... -1,677,000
- (3) Amount payable from the Federal Trust Fund (Item 8965-001-0890).... -2,185,000

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 the following conditions are met:
  - (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for medical services provided.
  - (b) The loan is for a short term, to be repaid within six months.
  - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
  - (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.
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.

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..... 2,185,000

8965-003-0001—For support of the Veterans Home of California at Barstow, for rental payments on lease-revenue bonds..... 1,338,000

Schedule:

- (1) Base Rental and Fees..... 1,208,000
- (2) Insurance..... 130,000

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.

8966-001-0001—For support of the Veterans’ Home of California-Chula Vista..... 11,692,000  
Schedule:

- (1) 30-Care of Sick and Disabled Veterans..... 23,952,000
- (2) Reimbursements..... -6,368,000
- (3) Amount payable from the Federal Trust Fund (Item 8966-001-0890).... -5,892,000

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 chairpersons of the committees in each house of the Legislature that consider 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.....	5,892,000
8966-003-0001—For support of the Veterans’ Home of California at Chula Vista, for rental payments on lease-revenue bonds.....	1,410,000
Schedule:	
(1) Base Rental and Fees.....	1,389,000
(2) Insurance.....	21,000
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.	
9100-101-0001—For local assistance, Tax Relief.....	679,083,000
Schedule:	
(1) 10-Senior Citizens’ Property Tax Assistance.....	38,212,000
(2) 20-Senior Citizens’ Property Tax Deferral Program.....	14,900,000

- (3) 30-Senior Citizen Renters' Tax Assistance..... 143,825,000
- (4) 50-Homeowners' Property Tax Relief..... 442,540,000
- (5) 60-Subventions for Open Space.... 39,606,000

- Provisions:
1. Schedule (2) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance 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 (3) is for property tax assistance to renter claimants in accordance with the Senior Citizens Property Tax Assistance Law, as set forth in Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code. Any unexpended balance in Schedule (3) may be used to make payments to senior citizen homeowner claimants under Schedule (1).
  3. Schedule (4) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or 16120 of the Government Code.
  4. Schedule (5) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, 423.4, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with 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 (1), (2), (3), (4), and (5) in excess of or less than the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees of 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 committee, or his or her designee, may in each instance determine.
- 6. Schedule (1) is for property tax assistance to homeowner claimants in accordance with the Senior Citizens Property Tax Assistance Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). Any unexpended balance in Schedule (1) may be used to make payments to senior citizen renter claimants under Schedule (3).

9100-495—Reversion, Tax Relief. As of June 30, 2006, the unencumbered balance of the appropriation provided in the following citation shall revert to the balance of the fund from which the appropriation was made:

0001—General Fund

(1) Chapter 24 of the Statutes of 2004

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.
- 2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2008. These funds shall be used to supplement and not supplant existing services.

9210-103-0001—For local assistance, Local Government Financing..... 1,648,000  
Provisions:

- 1. For disaster relief associated with reimbursement to local taxing authorities for property tax revenue losses, pursuant to Chapters 622, 623, and 624, Statutes of 2005.

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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

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.

9619-399-0001—For transfer to the Deficit Reduction Reserve Account..... 1,000,000,000

Provisions:

1. The funds in the Deficit Reduction Reserve Account shall be used for payment of General Fund debt related to obligations due in the 2007–08 fiscal year.

9620-001-0001—For payment of interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan..... 20,000,000

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.
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.

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 2006–07 fiscal year from loans made previously..... 30,299,000  
Provisions:

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.

9625-001-0001—For interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990..... 24,000,000



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Provisions:

1. Expenditures from the funds appropriated by this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.
2. In the event that expenditures for interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990 exceed the amount appropriated by this item, the Director of Finance may allocate an additional amount not to exceed \$10,000,000 over the amount appropriated by this item. This allocation shall be made no sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house.

9625-001-0042—For interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990, payable from the State Highway Account, State Transportation Fund..... 700,000

Provisions:

1. Provision 1 of Item 9625-001-0001 also applies to this item.
2. In the event that expenditures for interest payments to the federal government arising from the Cash Management Improvement Act of 1990 exceed the amount appropriated by this item, the Director of Finance may allocate an additional amount not to exceed \$1,000,000 over the amount appropriated by this item. This allocation shall be made no sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house.

9625-001-0494—For interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990, payable from the appropriate special fund..... 1,000

Provisions:

1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.

9625-001-0988—For interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990, payable from the appropriate nongovernmental cost fund..... 1,000

Provisions:

1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.

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..... 1,019,368,000

Schedule:

- (1) Health benefit premiums..... 952,353,000
- (2) Dental care premiums..... 67,015,000

Provisions:

1. The maximum transfer amounts specified in subdivision (c) of Section 26.00 of this act do not apply to this item.
2. Notwithstanding Section 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 2006–07 fiscal year, shall not be enrolled in a basic health benefits plan during the 2006–07 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 \$394 for a single enrollee, \$738 for an enrollee and one dependent, and \$933 for an enrollee and two or more dependents.

9650-495—Reversion, Health and Dental Benefits for Annuitants. As of June 30, 2006, the unencumbered balance of the appropriation in Item 9650-001-0001, Budget Act of 2004 (Ch. 208, Stats. 2004), shall re-

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vert to the fund balance from which the appropriation was made.

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 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 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's, department's, board's, bureau's, 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..... 299,104,000  
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 compensation increases and increases in benefits related thereto of employees 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.
4. Of the funds appropriated in this item, \$15,000,000 shall be available for allocation by the Director of Finance following submittal of a plan from the Department of Personnel Administration to address recruitment and retention is-

sues in employee compensation for represented and excluded employees. The Director of Finance shall not allocate these funds sooner than 30 days after notification to the chairpersons of the committees and appropriate subcommittees in each house of the Legislature that consider the State Budget, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst's Office explaining the purposes for and the manner in which the funds are to be allocated, describing the problem that the funds aim to address, and identifying the departments to which the funds will be allocated. Any and all notifications pursuant to this provision shall be submitted no later than October 1, 2006. If less than \$15,000,000 is allocated by the Director of Finance pursuant to this provision, the amount not allocated shall be reverted by the Controller to the General Fund on June 30, 2007.

9800-001-0494—For Augmentation for Employee Compensation, payable from other unallocated special funds..... 164,734,000

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 compensation increases and increases in benefits related thereto of employees 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.
3. Notwithstanding any other provision of law, upon approval of the Department of Finance, expenditure authority may be transferred between Items 9800-001-0494 and 9800-001-0988 as necessary to fund costs for approved memoranda of understanding or, for employees excluded

ed from collective bargaining, in accordance with salary and benefit schedules established by the Department of Personnel Administration.

4. Of the funds appropriated in the item, \$10,000,000 shall be available for allocation by the Director of Finance following submittal of a plan from the Department of Personnel Administration to address recruitment and retention issues in employee compensation for represented and excluded employees. The Director of Finance shall not allocate these funds sooner than 30 days after notification to the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst’s Office explaining the purposes for and manner in which the funds are to be allocated, describing the problem that the funds aim to address, and identifying the departments to which the funds will be allocated. Any and all notifications pursuant to this provision shall be submitted no later than October 1, 2006. If less than \$10,000,000 is allocated by the Director of Finance pursuant to this provision, the amount not allocated shall be reverted by the Controller to the appropriate funds on June 30, 2007.

9800-001-0988—For Augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds..... 37,482,000

Provisions:

1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.
2. The funds appropriated in this item are for employee compensation increases and increases, in benefits related thereto, whose compensation or portion thereof is chargeable to nongovernmental cost funds, to be allocated by executive order by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations, 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.

3. Notwithstanding any other provision of law, upon approval of the Department of Finance, expenditure authority may be transferred between Items 9800-001-0494 and 9800-001-0988 as necessary to fund costs for 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.
4. Of the funds appropriated in this item, \$5,000,000 shall be available for allocation by the Director of Finance following submittal of a plan from the Department of Personnel Administration to address recruitment and retention issues in employee compensation for represented and excluded employees. The Director of Finance shall not allocate these funds sooner than 30 days after notification to the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst's Office explaining the purposes for and manner in which the funds are to be allocated, describing the problem that the funds aim to address, and identifying the departments to which the funds will be allocated. Any and all notifications pursuant to this provision shall be submitted no later than October 1, 2006. If less than \$5,000,000 is allocated by the Director of Finance pursuant to this provision, the amount not allocated shall be reverted by the Controller to the appropriate funds on June 30, 2007.

9840-001-0001—For Augmentation for Contingencies or Emergencies..... 49,000,000  
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 2006–07 fiscal year under an ex-

isting 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 administration had knowledge of in time to include in the May Revision, or (f) costs that the administration has the discretion to incur or not incur.
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 2006–07 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 expense 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.
- 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 upon 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 are 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 upon 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 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 2007–08 or 2008–09 Governor’s Budget or 2008–09 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, 2006, 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 State 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 Section 2.00, 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 2006-07," submitted by the Governor to the Legislature at the 2006 portion of the 2005-06 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 and following of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The Department of Finance shall establish interpretations necessary to carry out the provisions of this section and shall furnish the same to the 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 and 22881, and subdivision (b) of Section 22883, 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 and 22881, and subdivision (b) of Section 22883, 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, and 22881, and subdivision (b) of Section 22883, 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, and 22881, and subdivision (b) of Section 22883, 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 2006–07 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.....	16.997%
Miscellaneous, Second Tier.....	16.778%
State Industrial.....	17.861%
State Safety.....	19.294%
Highway Patrol.....	31.463%
Peace Officer/Firefighter.....	24.505%

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 2006–07 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. 3.65. (a) To the extent legislation is enacted during the 2006–07 fiscal year to increase the state minimum wage, the Director of Finance may increase General Fund support and local assistance appropriations by up to \$10,255,000 for the following departments:

- (1) Department of Forestry.
- (2) Department of Parks and Recreation.
- (3) California Conservation Corps.
- (4) Department of Aging.
- (5) Department of Social Services.
- (6) Department of Developmental Services.

(b) Notwithstanding Section 28.50, reimbursement authority for the departments listed in subdivision (a) may also be increased for the purposes of paying costs associated with a minimum wage increase.

(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. 4.01. (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 of the 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 Section 3527 of the Government Code.

(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 of the Legislature 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. 4.05. (a) The Director of Finance, in consultation with agency secretaries and other cabinet members, shall reduce General Fund appropriations in the 2006–07 fiscal year by a total of \$100,000,000 on a one-time basis. 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. This amount is in addition to the \$100,000,000 of General Fund reductions in the 2006–07 fiscal year intended by the Legislature as expressed in Section 4.05 of the Budget Act of 2005 (Chapter 39 of the Statutes of 2005).

(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 the savings identified would not negatively impact program needs as provided for in this act or current law.

(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 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) Not later than February 15, 2007, the Director of Finance shall report to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee of each house of the Legislature that consider appropriations the amount of reductions made in each item of appropriation pursuant to this section. The report shall include the following: each specific reduction by department, agency, and program; whether the reduction is one-time or ongoing; a description of programmatic effects; the number and description of positions affected; and any other description necessary to fully disclose the reduction's impact.

(f) A state operations appropriation, and a program, project, or function designated in any line of any schedule set forth by that appropriation, may



not be reduced pursuant to subdivision (a) of this section or Section 4.05 of the Budget Act of 2005 (Chapter 39 of the Statutes of 2005) by more than 20 percent. A local assistance appropriation, and a program, project, or function designated in any line of any schedule set forth by that appropriation, may not be reduced pursuant to subdivision (a) of this section or Section 4.05 of the Budget Act of 2005 (Chapter 39 of the Statutes of 2005) by more than 5 percent.

SEC. 4.11. All new positions approved in this act shall be established effective July 1, 2006, 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. 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 0.270 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 2006-07 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. 4.75. The Director of Finance may adjust any item of appropriation for departmental support in this act for the purpose of reimbursing the Department of General Services for centralized costs billed through the statewide surcharge specified in Section 4.60 of Chapter 208 of the Statutes of 2004.

SEC. 4.80. In the event bonds authorized for issuance by the State Public Works Board are not sold and interim financing costs have been incurred, departments that have incurred those costs shall commit a sufficient portion of their support appropriations to repay the interim financing costs.

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 Architecture 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 Committee on Budget and Fiscal Review, and the Chairperson of the Assembly Committee on Budget 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 0540 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.

(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, the Director of Finance may, pursuant to a request by an affected agency specified in subdivision (a) seeking the transfer, 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 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 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 1.80 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 2005–06 fiscal year and ongoing or new costs for the 2006–07 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 government are hereby appropriated from federal funds for expenditure or for transfer to, and disbursement from, the State Treasury fund established for the purpose of receiving the federal assistance subject to any provisions of this act that apply to the expenditure of these funds, including Section 28.00.

(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 2006–07 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.

(c) Any expenditure of federal Temporary Assistance for Needy Families (TANF) block grant funds in excess of the amounts specified and appropriated in this act are subject to the notification procedures and requirements set forth in Section 28.00, or Provision 4 of Item 5180-101-0001, or Item 5180-403, of Section 2.00, whichever is applicable. The notification and other requirements of Section 28.00 also shall apply to any proposed substitution of TANF block grant funds for other state or federal funds.

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 appropriation adjustments, a description of the fiscal assumptions used in making the appropriation adjustments, and any necessary background information regarding the programs to be adjusted. 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 audit 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 2006. 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 notification 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 2006–07 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 chairpersons of the budget committees 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.

(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 section shall not apply to the University of California, the California State University, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the California Constitution, or the Legislature.

SEC. 11.10. (a) 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 chairpersons of the budget committees 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 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. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state “appropriations limit” of seventy-two billion three hundred four million dollars (\$72,304,000,000) for the 2006–07 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the “appropriations limit” for the 2006–07 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 2006–07 Final Change Book for the 2006–07 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 2006–07 fiscal year are \$41,294,823,000 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 \$37,140,347,000 or 40 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for community college districts are \$4,040,676,000 or 4.4 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 \$113,800,000 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 Senate Bill 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 2006–07 fiscal year. Notwithstanding any other provision of law, for the 2006–07 fiscal year, local educational 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, 6110-122-0001, 6110-124-0001, 6110-150-0001, 6110-167-0001,

6110-181-0001, 6110-193-0001, 6110-203-0001, 6110-209-0001, and 6110-224-0001 of Section 2.00.

(c) 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 from each of Items 6110-111-0001, 6110-122-0001, 6110-124-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-203-0001, 6110-209-0001, and 6110-224-0001 may be expended by that recipient for programs in Items 6110-119-0001 and 6110-128-0001, so that the total expended does not exceed 115 percent of the state funding for the programs in Items 6110-119-0001 and 6110-128-0001 for the 2006–07 fiscal year.

(d) As a condition of receiving the funds provided for the programs identified in subdivision (b), local educational agencies shall report to the State Department of Education by October 15, 2007, 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, chairpersons and vice chairpersons of the fiscal committees of each house of the Legislature for education of the Legislature and the Department of Finance, by February 1, 2008.

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 Cal-SAFE program, Item 6110-198-0001. The Department of Finance shall notify the Joint Legislative Budget Committee of any transfers made under this 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 of Section 2.00.

SEC. 13.00. (a) Notwithstanding any other provision of law, expenditures under Item 0160-001-0001 of Section 2.00 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, 2007, of the appropriations made by Items 0160-001-0001 and 8840-001-0001 of Section 2.00 are reappropriated and shall be available for encumbrance until June 30, 2008, 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 moneys that are received as payment for the sale of services or personal property by the agency that have not been taken into consideration in the schedule of Item 0160-001-0001 or are in excess of the amount so taken into consideration are to be credited to that item and are 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 2006–07 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 2006–07 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 2006–07 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, 2007, on all loans initiated or repayments made pursuant to subdivision (a) or (b) within the preceding fiscal year 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 2006 includes \$66,897,000 (\$15,849,000 from the General Fund, \$46,353,000 from federal funds, \$1,104,000 from special funds, and \$3,591,000 from reimbursements) for applicant state agencies, departments, boards, commissions, or other entities of state government in support of federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 activities. These funds are allocated to the following entities:

California Health and Human Services Agency	
General Fund.....	3,051,000
Reimbursements.....	629,000
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.....	832,000
Reimbursements.....	961,000
Department of Health Services	
General Fund.....	9,729,000
Special Funds.....	524,000
Federal Funds.....	46,307,000
Managed Risk Medical Insurance Board	
General Fund.....	25,000
Special Funds.....	30,000
Federal Funds.....	46,000
Department of Developmental Services	
General Fund.....	975,000
Reimbursements.....	887,000
Department of Mental Health	
General Fund.....	1,100,000
Reimbursements.....	1,102,000
Department of Personnel Administration	
Special Funds.....	225,000
Department of Veterans Affairs	
General Fund.....	125,000

SEC. 24.00. For the 2006–07 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 \$1,106,000 received by the Driver Training Penalty Assessment Fund for the 2006–07 fiscal year shall be available for the purposes of Item 6110-001-0178 of Section 2.00.

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 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; \$9,800,000 to the Corrections Training 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. 24.55. (a) For the purposes of this section, "educational institutions" means the University of California (UC), upon the approval of its Board of Regents, the California State University (CSU), the California Community Colleges (CCC), and the State Department of Education (SDE), or their designees, as part of their participation on the Board of the Corporation for Education Network Initiatives in California (CENIC).

(b) To expend General Fund, student fee revenue, or any other moneys for the California Research and Education Network (CalREN) or the K-12 High Speed Network (HSN), state educational institutions shall do all of the following:

(1) Ensure that any interest earned on state moneys is used for operating CalREN serving the UC, CSU, CCC, and K-12 segments. Any segment-specific cash reserves held by CENIC for an individual segment shall be held separately and accrue interest to that segment.

(3) Approve an agreement that designates specific levels of service to be provided by CalREN and HSN to all public education segments.

(4) Establish fee payment schedules that neither result in significant prepayments nor require additional administrative costs to implement. If the Board of CENIC determines that certain prepayments are necessary, individual segments may prepay to avoid additional costs to themselves.

(5) Ensure that CENIC reports to the Legislature and the Governor, not later than December 1, 2006, the following minimum information:

(A) For the 2005-06 fiscal year, revenues from each public education segment and from other sources whose annual revenues are \$100,000 or more, and expenditures of \$100,000 or more by major category.

(B) A financial accounting of all primarily state-funded assets associate with CalREN and HSN.

(C) A copy of the 2006-07 service level agreement approved by the Board of CENIC.

(D) A list of all prepayments made in the 2005-06 fiscal year and in the first quarter of the 2006-07 fiscal year, and a detailed explanation of the savings resulting from each prepayment.

(E) A list of all in-state private educational institutions and out-of-state educational institutions that have used CalREN and the fee amounts they have been charged.

(F) A detailed revised budget for CalREN and HSN for the 2006–07 fiscal year.

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 \$13,543,000 is appropriated from various special and nongovernmental 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 2006–07 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 2006–07 fiscal year.

SEC. 25.50. Notwithstanding any other provision of law, an amount not to exceed \$776,000 is hereby appropriated from various funds to the Controller as specified below for reimbursement of costs for the procurement, development, and implementation of a new Apportionment Payment System:

0046 Public Transportation Account	\$ 10,000
0062 Highway Users Tax Account	275,000

0064 Motor Vehicle License Fee Account	21,000
0330 Local Revenue Fund	94,000
0877 DMV Local Agency Collection Fund	2,000
0932 Trial Court Trust Fund	152,000
0965 Timber Tax Fund	1,000
0969 Public Safety Account	221,000
Total, All Funds	\$776,000

The Controller shall assess these funds for the costs of the Apportionment Payment System because apportionment payments in excess of \$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 Controller for the Apportionment Payment System for the 2006–07 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 intraschedule transfers within individual items of appropriation in those instances where the transfers are necessary for the efficient and cost-effective implementation of the programs, projects, and functions funded by this act. No transfer shall be authorized under this section to either eliminate any program, project, or function, except when implementation is found to be no longer feasible in light of changing circumstances or new information, or establish any new program, project, or function.

(b) The Director of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to which an appropriation is made by this act, authorize the augmentation of the amount available for expenditure in any schedule set forth for that appropriation, by making a transfer from any of the other designated programs, projects, or functions within the same schedule. No intraschedule transfer may be made under this section to fund any capital outlay purpose, regardless of whether budgeted in a capital outlay or a local assistance appropriation. Upon the conclusion of the 2006–07 fiscal year, the Director of Finance shall furnish the chairpersons of the committees in each house of the Legislature that consider appropriations and the State 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 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 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 chairpersons of the committees in each house of the Legislature that consider 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 nonstate 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 2006–07 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 2006–07 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) \$200,000 or (2) 10 percent of the amount available for expenditure in the affected program, project, or function may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider 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. 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, 2007.

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 2006–07 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 2006–07 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 fiscal 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, 2007, 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, 2007.

(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, 2006.

(d) It is the intent of the Legislature that all positions administratively established pursuant to this section that are intended by the administration to be ongoing be submitted to the Legislature for approval through the regular budget process as soon as possible. All positions administratively established pursuant to this section during the 2006–07 fiscal year shall terminate on June 30, 2007, except for those positions that have been (1) approved by the Legislature as part of the regular budget process for the 2007–08 fiscal year as new positions, or (2) approved by the Department of Finance after the 2007–08 Governor’s Budget submission to the Legislature and subsequently reported to the Legislature prior to July 1, 2007. The positions identified in (2) above may be reestablished by the Department of Finance during the 2007–08 fiscal year, provided that these positions are shown in the Governor’s Budget for the 2008–09 fiscal year as submitted to the Legislature, and provided that these positions do not result in the re-establishment of positions deleted by the Legislature through the budget process for the 2007–08 fiscal year. The Department of Finance will notify the Legislature within 30 days of the re-establishment of positions approved in the 2007–08 fiscal year pursuant to (2) above.

(e) Money appropriated in the 2006–07 fiscal year may be expended for increases in salary ranges or any other employee compensation action only if appropriated for that purpose, or if 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 2007–08 fiscal year. If the Department of Finance determines that supplemental funding will be required, the department may certify only if it notifies in writing, at least 30 days before, 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.

(b) 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. Notwithstanding the foregoing or any other provision of law, a person may not be held personally liable for the amount of any indebtedness created by an expenditure in excess of an appropriation made by this act if all of the following occur: (1) the expenditure is in response to increases in enrollment, population, or caseload by the State Department of Social Services, the Department of Corrections and Rehabilitation, the State Department of Developmental Services, the State Department of Mental Health, or the State Department of Health Services; (2) that expenditure is incurred no sooner than 30 days after the Director of Finance notifies in writing of the necessity therefor the Chairperson of the Joint Legislative Budget Committee; and (3) if the chairperson does not advise in response that the expenditure shall not occur. The director's notification shall include a certification of any amounts required by enrollment, population, or caseload, rather than management decisions or policy changes.

(c) Neither subdivision (a) nor (b) applies 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. 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 2006–07 fiscal year pursuant to this act, as passed by the Legislature, is \$103,114,800,000.

(c) For purposes of subdivision (b) of Section 20 of Article XVI of the California Constitution, General Fund revenues shall be defined as revenues and transfers, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

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 2006–07 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, 2006. 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.

<b>Department</b>	<b>Organization Code</b>
“A”	
Administrative Law, Office of.....	8910
Aging, Commission on.....	4180
Aging, Department of.....	4170
Agricultural Labor Relations Board.....	7300
Air Resources Board, State.....	3900
Alcohol and Drug Programs, Department of....	4200
Alcoholic Beverage Control, Department of....	2100
Alcoholic Beverage Control Appeals Board....	2120
Alternative Energy and Advanced Transporta- tion Financing Authority, California.....	0971
Arts Council, California.....	8260
Assembly.....	0120
Audits, Bureau of State.....	8855
“B”	
Baldwin Hills Conservancy.....	3835
Boards. See subject (e.g., Air Resources, Control, etc.)	
Boating and Waterways, Department of.....	3680
Business, Transportation and Housing, Secre- tary for.....	0520
“C”	
Capital Outlay Planning and Studies Funding....	9860
Career Resource Network, California.....	6330
Child Support Services, Department of.....	5175
Chiropractic Examiners, Board of.....	8500
Citizens’ Compensation Commission, Califor- nia.....	8385
Coachella Valley Mountains Conservancy.....	3850
Coastal Commission, California.....	3720

<b>Department</b>	<b>Organization Code</b>
Coastal Conservancy, State.....	3760
Colorado River Board of California.....	3460
Community Colleges, Board of Governors of the California.....	6870
Community Services and Development, Depart- ment of.....	4700
Conservation, Department of.....	3480
Conservation Corps, California.....	3340
Consumer Affairs-Bureaus, Programs and Divi- sions, Department of.....	1111
Consumer Affairs-Regulatory Boards, Depart- ment of.....	1110
Contingencies or Emergencies, Augmentation for.....	9840
Contingencies or Emergencies, Loans for.....	9850
Contributions to. See subject (e.g., Judges’ Retirement, Teachers’ Retirement, etc.)	
Controller, State.....	0840
Corporations, Department of.....	2180
Corrections and Rehabilitation, Department of.....	5225
Councils. See subject (e.g., Arts, etc.)	

“D”

Debt and Investment Advisory Commission, California.....	0956
Debt Limit Allocation Committee, California....	0959
Deficit Reduction Reserve.....	9619
Delta Protection Commission.....	3840
Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
Developmental Disabilities, State Council on....	4100
Developmental Services, Department of.....	4300

“E”

Education Audit Appeals Panel.....	6125
Education, Department of.....	6110
Education, Office of the Secretary for.....	0558
Electricity Oversight Board.....	8770
Emergency Medical Services Authority.....	4120
Emergency Services, Office of.....	0690
Employee Compensation, Augmentation for....	9800
Employment Development Department.....	7100



<b>Department</b>	<b>Organization Code</b>
Energy Resources Conservation and Development Commission.....	3360
Environmental Health Hazard Assessment, Office of.....	3980
Environmental Protection, Secretary for.....	0555
Equalization, State Board of.....	0860
Equity Claims of California Victim Compensation and Government Claims Board and Settlements and Judgments by Department of Justice.....	9670
“F”	
Fair Employment and Housing Commission....	1705
Fair Employment and Housing, Department of.....	1700
Fair Political Practices Commission.....	8620
Finance, Department of.....	8860
Financial Institutions, Department of.....	2150
Fish and Game, Department of.....	3600
Food and Agriculture, Department of.....	8570
Forestry and Fire Protection, Department of....	3540
Franchise Tax Board.....	1730
“G”	
Gambling Control Commission, California.....	0855
General Services, Department of.....	1760
Golden State Tobacco Securitization Corporation.....	9612
Governor’s Office.....	0500
“H”	
Hastings College of the Law.....	6600
Health Facilities Financing Authority, California.....	0977
Health and Human Services, Secretary for California.....	0530
Health and Dental Benefits for Annuitants.....	9650
Health Services, Department of.....	4260
High-Speed Rail Authority.....	2665
Highway Patrol, Department of the California....	2720
Horse Racing Board, California.....	8550
Housing and Community Development, Department of.....	2240

<b>Department</b>	<b>Organization Code</b>
“I”	
Independent Living Council, State.....	5170
Industrial Development Financing Advisory Commission, California.....	0965
Industrial Relations, Department of.....	7350
Institutions (See Department of Corrections, State Department of Health, etc.)	
Inspector General, Office of.....	0552
Insurance, Department of.....	0845
Integrated Waste Management Board, Califor- nia.....	3910
Interest Payments to the Federal Government....	9625
“J”	
Joint Expenses (Legislature).....	0130
Judges’ Retirement Fund, Contributions to....	0390
Judicial Performance, Commission on.....	0280
Judicial Branch.....	0250
Justice, Department of.....	0820
“L”	
Lands Commission, State.....	3560
Labor and Workforce Development Agency....	0559
Law Revision Commission, California.....	8830
Legislative Analyst, Office of the.....	0130
Legislative Counsel Bureau.....	0160
Legislature (See Assembly, Senate, or Joint Expenses)	
Library, California State.....	6120
Lieutenant Governor, Office of the.....	0750
Local Government Financing.....	9210
Lottery Commission, California State.....	0850
“M”	
Managed Health Care, Department of.....	2400
Managed Risk Medical Insurance Board.....	4280
Mandates, Commission on State.....	8885
Medical Assistance Commission, California....	4270
Mental Health, Department of.....	4440
Military Department.....	8940

<b>Department</b>	<b>Organization Code</b>
Milton Marks "Little Hoover" Commission on California State Government Organization and Economy.....	8780
Motor Vehicles, Department of.....	2740
"N"	
Native American Heritage Commission.....	3780
"O"	
Office of. See subject (e.g., Emergency Services, Planning and Research, etc.)	
"P"	
Parks and Recreation, Department of.....	3790
Payment of Interest on General Fund Loans....	9620
Payment to Counties for Costs of Homicide Trials.....	8180
Peace Officer Standards and Training, Commission on.....	8120
Personnel Administration, Department of.....	8380
Personnel Board, State.....	1880
Pesticide Regulation, Department of.....	3930
Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Board of.....	8530
Planning and Research, Office of.....	0650
Political Reform Act of 1974.....	8640
Postsecondary Education Commission, California.....	6420
Public Defender, State.....	8140
Public Employees' Retirement System.....	1900
Public Employment Relations Board.....	8320
Public Utilities Commission.....	8660
"R"	
Real Estate, Department of.....	2320
Real Estate Appraisers, Office of.....	2310
Rehabilitation, Department of.....	5160
Resources, Secretary for.....	0540

<b>Department</b>	<b>Organization Code</b>
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“S”

San Diego River Conservancy.....	3845
San Francisco Bay Conservation and Development Commission.....	3820
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.....	3825
San Joaquin River Conservancy.....	3830
Santa Monica Mountains Conservancy.....	3810
Scholarshare Investment Board.....	0954
School Finance Authority, California.....	0985
Science Center, California.....	1100
Secretary of State.....	0890
Seismic Safety Commission.....	8690
Senate.....	0110
Senior Legislature, California.....	4185
Sierra Nevada Conservancy.....	3855
Social Services, Department of.....	5180
Special Resources Program.....	3110
Special Transportation Programs.....	2640
State. See subject (e.g., Controller, Treasurer, etc.)	
State and Consumer Services, Secretary for....	0510
State Mandates, Commission on.....	8885
Statewide Health Planning and Development, Office of.....	4140
Status of Women, Commission on the.....	8820
Student Aid Commission.....	7980
Summer School for the Arts, California State....	6255

“T”

Tahoe Conservancy, California.....	3125
Tax Credit Allocation Committee, California....	0968
Tax Relief.....	9100
Teacher Credentialing, Commission on.....	6360
Teachers' Retirement System, State.....	1920
Technology Services, Department of.....	1955
Toxic Substances Control, Department of.....	3960
Traffic Safety, Office of.....	2700
Transportation, Department of.....	2660
Transportation Commission, California.....	2600
Transportation Programs, Special.....	2640
Treasurer, State.....	0950

<b>Department</b>	<b>Organization Code</b>
“U”	
Uniform State Laws, Commission on.....	8840
University, California State.....	6610
University of California.....	6440
“V”	
Veterans Affairs, Department of.....	8955
Veterans’ Home of California—Barstow.....	8965
Veterans’ Home of California—Chula Vista....	8966
Veterans’ Home of California—Yountville.....	8960
Victim Compensation and Government Claims Board, California.....	1870
“W”	
Water Resources, Department of.....	3860
Water Resources Control Board, State.....	3940
Wildlife Conservation Board.....	3640
Workforce Investment Board, California.....	7120

## INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and identify restrictions concerning the appropriations contained in this act.

- 1.00 Budget Act Citation
- 1.50 Intent and Format
- 1.80 Availability of Appropriations
- 2.00 Items of Appropriation
- 3.00 Defines Purposes of Appropriations
- 3.50 Benefit Charges Against Salaries and Wages
- 3.60 Contribution to Public Employees' Retirement Benefits
- 3.65 Minimum Wage Increase
- 4.01 Employee Compensation Savings
- 4.05 Unallocated General Fund Reductions
- 4.11 Establishing New Positions
- 4.20 Contribution to Public Employees' Contingency Reserve Fund
- 4.30 Lease-Revenue Payment Adjustments
- 4.75 Statewide Surcharges
- 4.80 State Public Works Board Interim Financing
- 4.90 Architectural Revolving Fund Transfer
- 4.95 Inmate Construction Revolving Account Transfer
- 5.25 Attorney's Fees
- 5.40 CALFED Bay-Delta Program
- 5.45 CALFED Bond Fund Information
- 6.00 Project Alterations Limits
- 8.00 Anti-Terrorism Federal Reimbursements
- 8.50 Federal Funds Receipts
- 8.51 Federal Funds Accounts
- 8.52 Federal Reimbursements
- 8.53 Notice of Federal Audits
- 9.20 Administrative Costs Associated With the Acquisition of Property
- 9.30 Federal Levy of State Funds
- 9.45 Proposition 40-Reporting Requirements
- 9.50 Minor Capital Outlay Projects
- 11.00 EDP/Information Technology Reporting Requirements
- 11.10 Reporting of Statewide Software License Agreements
- 11.11 Privacy of Information in Pay Stubs
- 12.00 State Appropriations Limit (SAL)
- 12.30 Special Fund for Economic Uncertainties
- 12.32 Proposition 98 Funding Guarantee
- 12.40 Mega-Item Flexibility
- 12.60 Categorical Contingency Transfer Authority for Deficiencies
- 13.00 Legislative Counsel Bureau

- 14.00 Special Fund Loans Between Boards of the Department of Consumer Affairs
  - 17.00 Federal Health Insurance Portability and Accountability Act (HIPAA)
  - 24.00 State School Fund Allocations
  - 24.03 Reading Control
  - 24.10 Transfer Surplus of Driver Training Penalty Assessment Fund to the General Fund
  - 24.55 California Research and Education Network
  - 24.60 Report of Lottery Funds Received
  - 24.70 Local Educational Agency Fiscal Accountability
  - 25.25 21st Century Project
  - 25.50 SCO Apportionment Payment System Assessments
  - 26.00 Intraschedule Transfers
  - 28.00 Program Change Notification
  - 28.50 Agency Reimbursement Payments
  - 29.00 Personnel-Year Estimates of Governor's Budget, May Revision and Final Change Book
  - 30.00 Continuous Appropriations
  - 31.00 Budget Act Administrative Procedures for Salaries and Wages
  - 32.00 Prohibits Excess Expenditures
  - 33.00 Item Veto Severability
  - 33.50 Strategic Sourcing
  - 34.00 Constitutional Severability
  - 35.50 Estimated General Fund Revenue pursuant to Assembly Constitutional Amendment 5 of the 2003-04 Fifth Extraordinary Session
  - 36.00 Provides that the Budget Act is for Usual and Current Expenses
  - 37.00 Urgency Clause
  - 99.00 Alphabetical Organization Index
  - 99.50 Numerical Control Section Index
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